

AGREEMENT ON SOCIAL SECURITY BETWEEN THE  
UNITED STATES AND URUGUAY

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MESSAGE

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A SOCIAL SECURITY TOTALIZATION AGREEMENT WITH URUGUAY,  
PURSUANT TO 42 U.S.C. 433(e)(1); AUG. 14, 1935, CH. 531, TITLE  
II, SEC. 233(e)(1) (AS AMENDED BY PUBLIC LAW 95-216, SEC.  
317(a)); (91 STAT. 1539)



MARCH 20, 2018.—Message and accompanying papers referred to the  
Committee on Ways and Means and ordered to be printed

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U.S. GOVERNMENT PUBLISHING OFFICE



*To the Congress of the United States:*

Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95–216, 42 U.S.C. 433(e)(1)), I transmit herewith a social security totalization agreement with Uruguay, titled “Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay,” and the accompanying legally binding administrative arrangement, titled “Administrative Arrangement between the Competent Authorities of the United States of America and the Oriental Republic of Uruguay for the Implementation of the Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay” (collectively the “Agreements”). The Agreements were signed at Montevideo, Uruguay, on January 10, 2017.

The Agreements are similar in objective and content to the social security totalization agreements already in force with most European Union countries, Australia, Canada, Chile, Japan, Norway, the Republic of Korea, and Switzerland. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the lost benefit protection that can occur when workers divide their careers between two countries.

The Agreements contain all provisions mandated by section 233 of the Social Security Act and, pursuant to section 233(c)(4), other provisions which I deem appropriate to carry out the purposes of section 233.

I also transmit for the information of the Congress a report required by section 233(e)(1) of the Social Security Act on the estimated number of individuals who will be affected by the Agreements and the Agreements’ estimated cost effect. Also included are a summary of the main provisions and an annotated version of the Agreements with descriptions of each article. The Department of State and the Social Security Administration have recommended the Agreements to me.

I commend to the Congress the Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay and the Administrative Arrangement between the United States of America and the Oriental Republic of Uruguay for the Implementation of the Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay.

DONALD J. TRUMP.

THE WHITE HOUSE, *March 19, 2018.*

**AGREEMENT ON SOCIAL SECURITY  
BETWEEN  
THE UNITED STATES OF AMERICA  
AND  
THE ORIENTAL REPUBLIC OF URUGUAY**

The United States of America ("United States") and

The Oriental Republic of Uruguay ("Uruguay")

(hereinafter individually known as "Contracting State," or collectively as "Contracting States"),

Being desirous of regulating the relationship between the two countries in the field of social security, have agreed as follows:

**PART I**

**General Provisions**

**Article I**

**Definitions**

I. For the purposes of this Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay (hereinafter "Agreement"):

(a) "National" means,

as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended, and

as regards Uruguay, a natural or legal citizen as provided for in Articles 73 through 75 of the Constitution of the Republic;

- (b) "Laws" means the laws and regulations specified in Article 2 of this Agreement;
- (c) "Competent Authority" means,
  - as regards the United States, the Commissioner of Social Security, and
  - as regards Uruguay, the Ministerio de Trabajo y Seguridad Social (Ministry of Labor and Social Security), and by delegation, the Banco de Previsión Social (Social Security Bank);
- (d) "Competent Institution" means,
  - as regards the United States, the Social Security Administration, and
  - as regards Uruguay, the Banco de Previsión Social (Social Security Bank), the Caja Notarial de Seguridad Social (Notarial Social Security Fund), the Caja de Jubilaciones y Pensiones de Profesionales Universitarios (Pension and Retirement Fund of University Professionals), the Caja de Jubilaciones y Pensiones Bancarias (Banking Pension and Retirement Fund), the Servicio de Retiros y Pensiones Policiales (Police Retirement and Pension Fund), and the Servicio de Retiros y Pensiones de las Fuerzas Armadas (Armed Forces Pension and Retirement Fund);
- (e) "Liaison Institution" means the organization responsible for coordinating and exchanging information between the Competent Institutions of both Contracting States;

- (f) "Period of Coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the Laws under which such period has been completed, or any similar period insofar as it is recognized by such Laws as equivalent to a period of coverage;
  - (g) "Benefit" means any benefit provided for in the Laws specified in Article 2 of this Agreement; and
  - (h) "Personal Data" means any information relating to a specific (identified or identifiable) person, as well as any information that can be used to distinguish or trace an individual's identity. This includes, but is not limited to, the following: any individual identifier; citizenship, nationality, statelessness, or refugee status; benefits, eligibility, or other claims information; contact information; medical information or lay information used in a medical determination; information about marital, familial, or personal relationships; and information pertaining to work, financial, or economic status.
2. Any term not defined in this Article shall have the meaning assigned to it in the applicable Laws.

## Article 2

### Material Scope

- 1. For the purposes of this Agreement, the applicable Laws are:
  - (a) as regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:
    - (i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A, and 228 of that title, and regulations pertaining to those sections, and

- (ii) Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters; and
  - (b) as regards Uruguay, the constitutional, legal and regulatory provisions regarding the contributory benefits for disability, old age and survivors, managed by the Banco de Previsión Social (Social Security Bank), the Caja Notarial de Seguridad Social (Notarial Social Security Fund), the Caja de Jubilaciones y Pensiones de Profesionales Universitarios (Pension and Retirement Fund of University Professionals), the Caja de Jubilaciones y Pensiones Bancarias (Banking Pension and Retirement Fund), the Servicio de Retiros y Pensiones Policiales (Police Retirement and Pension Fund), and the Servicio de Retiros y Pensiones de las Fuerzas Armadas (Armed Forces Pension and Retirement Fund);
- 2. Unless otherwise provided in this Agreement, the Laws referred to in paragraph 1 of this Article shall not include treaties or other international agreements or supranational legislation on Social Security concluded between one Contracting State and a third State, or Laws promulgated for their specific implementation.
- 3. This Agreement shall apply to any amendments to the Laws, including changes to the Laws that extend the provisions of this Agreement in a Contracting State to new categories of beneficiaries or new benefits, unless the Competent Authority of such Contracting State notifies the Competent Authority of the other Contracting State in writing within three (3) months after the official publication of the new legislation or regulations that no such extension is intended under the terms of this Agreement.



### Article 3

#### Personal Scope

This Agreement shall apply to:

- (a) persons who are or have been subject to the Laws of one or both Contracting States; and
- (b) other persons with respect to the rights they derive from the persons described in sub-paragraph (a) of this Article.

### Article 4

#### Equality of Treatment and Portability of Benefits

1. Unless otherwise provided in this Agreement, persons described in Article 3 of this Agreement who reside in the territory of one Contracting State shall receive equal treatment with Nationals of such Contracting State as regards the application of its Laws.
2. Unless otherwise provided in this Agreement, any provision of the Laws of a Contracting State which restricts entitlement to or payment of Benefits solely because a person resides outside or is absent from the territory of that Contracting State shall not be applicable to a person who resides in the territory of the other Contracting State.

## PART II

### Provisions Concerning Applicable Laws

#### Article 5

##### General Rules

Except as otherwise provided in this Part, a person employed or self-employed within the territory of one of the Contracting States, with respect to that employment or self-employment, shall be subject to the Laws of only that Contracting State.

#### Article 6

##### Specific Rules

1. Where a person who is normally employed in the territory of one Contracting State by an employer in that territory is sent by that employer to the territory of the other Contracting State for a temporary period that is not expected to exceed five (5) years, the person shall be subject to the Laws of only the first Contracting State as if the person were still employed in the territory of the first Contracting State.
2. When a self-employed worker transfers from the territory of one Contracting State to the territory of the other Contracting State for the purpose of performing his or her usual work for a period that is not expected to exceed five (5) years, he or she will be exclusively subject to the Laws of the first Contracting State as if he or she continued working in the territory of the first Contracting State.

3. For purposes of applying paragraph 1 of this Article in the case of an employee who is sent from the territory of a Contracting State by an employer in that territory to the other Contracting State to work for an affiliated company of that employer, that employer and the affiliated company of the employer (as defined under the laws of the Contracting State under which the employer is organized) shall be considered one and the same, provided that, if this Agreement did not exist, the employment would have been covered under the Laws of the Contracting State from which the employee was sent.
4. Paragraphs 1 and 3 of this Article shall apply where a person who has been sent by his or her employer from the territory of a Contracting State to the territory of a third State, and who is compulsorily covered under the Laws of that Contracting State while employed in the territory of the third State, is subsequently sent by that employer from the territory of the third State to the territory of the other Contracting State.
5.
  - (a) A person who is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and who would be covered under the Laws of both Contracting States shall be subject to the Laws of only the Contracting State whose flag the vessel flies. For purposes of the preceding sentence, a vessel which flies the flag of the United States is one defined as an American vessel under the Laws of the United States.
  - (b) Traveling employees of air transportation companies who perform work in the territories of both Contracting States and who would otherwise be covered under the Laws of both Contracting States shall, with respect to that work, be subject to the Laws of only the Contracting State in the territory of which the company has its headquarters. However, if such employees reside in the territory of the other Contracting State, they shall be subject to the Laws of only that Contracting State.

6. (a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.
- (b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the Laws of the other Contracting State by virtue of the Vienna Conventions mentioned in subparagraph (a) of this paragraph shall be subject to the Laws of only the first Contracting State. For the purpose of this paragraph, government employment includes any work performed for a government agency or instrumentality.
7. At the request of the worker and the employer or self-employed person, the Competent Authorities of the two Contracting States may agree to grant an exception to the provisions of this Article with respect to particular persons or categories of persons, provided that any affected person shall be subject to the Laws of one of the Contracting States.

PART III

Provisions on Benefits

Article 7

United States Benefits

1. Where a person has completed at least six (6) quarters of coverage under United States Laws, but does not have sufficient Periods of Coverage to satisfy the requirements for entitlement to Benefits under United States Laws, the Competent Institution of the United States shall take into account, for the purpose of establishing entitlement to Benefits under this Article, Periods of Coverage which are credited under Uruguayan Laws and which do not coincide with Periods of Coverage already credited under United States Laws.
2. Where it is not possible to determine the calendar quarter during which a specific Period of Coverage was completed under the Laws of the United States, the United States Competent Institution will presume that the Period of Coverage does not coincide with a Period of Coverage completed in Uruguay.
3. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of the United States shall credit one (1) quarter of coverage for every ninety (90) days of coverage certified by the Competent Institution of Uruguay. The total number of quarters of coverage to be credited for one year shall not exceed four (4).
4. The Competent Institution of the United States shall not take into account Periods of Coverage that occurred prior to the earliest date when Periods of Coverage may be credited under United States Laws, nor will the Competent Institution of the United States take into account any Periods of Coverage that are not based on wages or self-employment income.

5. Where entitlement to a Benefit under United States Laws is established according to the provisions of paragraph 1 of this Article, the Competent Institution of the United States shall compute a pro rata Primary Insurance Amount in accordance with United States Laws based on:
  - (a) the person's average earnings, credited exclusively under United States Laws; and
  - (b) the ratio of the duration of the person's Periods of Coverage completed under United States Laws, to the total duration of a coverage lifetime as determined in accordance with United States Laws.

Benefits payable under United States Laws shall be based on the pro rata Primary Insurance Amount.

6. Entitlement to a Benefit under United States Laws that results from paragraph 1 of this Article shall terminate with the acquisition of sufficient Periods of Coverage under United States Laws to establish entitlement to an equal or higher Benefit without the need to invoke the provision of paragraph 1 of this Article.
7. Article 4 of this Agreement shall be applied by the United States in a manner consistent with section 233(c)(4) of the United States Social Security Act.

## Article 8

### Uruguayan Benefits

1. If Periods of Coverage have been completed under the Laws of the two Contracting States, the Uruguayan Competent Institution shall take into account—if necessary—the Periods of Coverage completed under the Laws of the other Contracting State in order to determine the entitlement to the Benefits according to the applicable Laws, provided that the Periods of Coverage do not overlap.

2. To establish the applicability of the provisions on the calculation of total Periods of Coverage and Benefit entitlement under the Uruguayan Laws, the periods completed in a third State bound by a Social Security Agreement with Uruguay which provides for the aggregation of Periods of Coverage shall be taken into account if necessary.
3. Benefits shall be provided under the intergenerational solidarity retirement system, and when applicable, the Benefits generated under the system of mandatory individual savings (capitalization) will be added.
4. The Uruguayan Competent Institution shall establish the individual entitlement to a Benefit and shall calculate the Benefits taking into account the Periods of Coverage completed under the Uruguayan Laws, as well as those completed under the United States Laws.

Benefits provided shall result from the most favorable calculation to the beneficiary by one or the other procedure, regardless of any Benefit determination made by the United States Competent Institution.

5. When totalizing the Periods of Coverage in order to add the Periods of Coverage completed under the Laws of the United States to those completed under the Uruguayan Laws, the Uruguayan Competent Institution shall apply the following calculation rules to establish the amount of Benefits:
  - (a) The Competent Institution shall determine the amount of the Benefit that the person would be entitled to, as if all creditable Periods of Coverage had been completed under its Laws (theoretical benefit).

- (b) The Competent Institution shall establish the amount of the Benefit by applying to the theoretical Benefit estimated according to its Laws, the same proportion that exists between the creditable Period of Coverage completed under the Uruguayan Laws, and the total creditable Periods of Coverage completed under the Laws of the two Contracting States (pro rata Benefit).
6. Where the Uruguayan Laws require that, in order to be entitled to the Benefit, the Periods of Coverage should be completed in a certain time immediately prior to the event giving rise to the Benefit, this condition will be considered as fulfilled, if the person is contributing under the Laws of the United States and has credit for at least one (1) quarter of coverage under such Laws during the eight (8) calendar quarters immediately preceding the calendar quarter in which the insured event occurs according to the Laws of Uruguay.

## PART IV

### Miscellaneous Provisions

#### Article 9

##### Administrative Arrangements

The Competent Authorities of the two Contracting States shall:

- (a) make all necessary administrative arrangements for the implementation of this Agreement and designate Liaison Institutions;
- (b) communicate to each other information concerning the measures taken for the application of this Agreement; and



- (c) communicate to each other, as soon as possible, information concerning all changes in their respective Laws which may affect the application of this Agreement.

#### Article 10

##### Mutual Assistance

The Competent Authorities and the Competent Institutions of the Contracting States, within the scope of their respective authorities, shall assist each other in implementing this Agreement. This assistance shall be free of charge, subject to exceptions to be agreed upon in an administrative arrangement.

#### Article 11

##### Confidentiality of Exchanged Personal Data

1. Unless otherwise required by the national statutes of a Contracting State, Personal Data transmitted in accordance with this Agreement to one Contracting State by the other Contracting State shall be used exclusively for purposes of administering this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection of privacy and confidentiality of Personal Data and the provisions of this Agreement shall govern such use.
2. The Competent Authorities of the Contracting States shall inform each other about all amendments to their national statutes regarding the protection of privacy and confidentiality of Personal Data that affect the transmission of Personal Data.
3. The Competent Authority or Competent Institution requesting or transmitting Personal Data pursuant to this Agreement, upon request, must disclose to a person the following:
  - (a) the content of his or her Personal Data,

- (b) the Competent Institution receiving his or her Personal Data,
  - (c) the duration of use of his or her Personal Data, and
  - (d) the purpose and legal grounds for which his or her Personal Data were used or requested.
4. The Competent Authority or Competent Institution transmitting Personal Data pursuant to this Agreement shall take all reasonable steps to ensure that transmitted Personal Data are accurate and limited to data required to fulfill the receiving Competent Authority's or Competent Institution's request. In accordance with their respective national statutes, the receiving Competent Authority or Competent Institution shall correct or delete any inaccurate transmitted Personal Data and any data not required to fulfill the receiving Competent Institution's request, and immediately notify the other Contracting State's Competent Authority or Competent Institution of such correction. This shall not limit a person's right to request such correction of his or her Personal Data directly from the Competent Institutions under their respective national statutes.
5. Both the transmitting and the receiving Competent Authority or Competent Institution shall effectively protect Personal Data against unauthorized or illegal access, alteration, or disclosure.

## Article 12

### Confidentiality of Exchanged Employers' Information

Unless otherwise required by the national statutes of a Contracting State, employers' information transmitted between the Contracting States in accordance with this Agreement shall be used exclusively for purposes of administering this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection and confidentiality of employers' information and the provisions of this Agreement shall govern such use.

Article 13

Documents

1. Where the Laws of a Contracting State provide that any document which is submitted to the Competent Authority or a Competent Institution of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to corresponding documents which are submitted to the Competent Authority or a Competent Institution of the other Contracting State in the application of this Agreement.
2. Documents and certificates presented for purposes of this Agreement shall be exempted from requirements for authentication by diplomatic or consular authorities, as well as translation, notarization, and registration.
3. Copies of documents certified as true and exact copies by a Competent Institution of one Contracting State shall be accepted as true and exact copies by a Competent Institution of the other Contracting State, without further certification. The Competent Institution of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Article 14

Correspondence and Languages

1. The Competent Authorities and Competent Institutions of the Contracting States may correspond directly with each other and with any person, wherever the person may reside, whenever it is necessary for the administration of this Agreement.

2. The Competent Authority or Competent Institution of a Contracting State shall not reject applications or documents solely because they are written in the language of the other Contracting State.

#### Article 15

##### Claims

1. A written claim for Benefits filed with a Competent Institution of one Contracting State under its Laws or under this Agreement shall be considered as filed with the Competent Institution of the other Contracting State if the applicant so requests.
2. If an applicant has filed a written claim for Benefits with a Competent Institution of one Contracting State and has not explicitly requested that the claim be restricted to Benefits under the Laws of that Contracting State, the claim shall also protect the rights of claimants under the Laws of the other Contracting State if the applicant provides information at the time of filing indicating that the person on whose record Benefits are claimed has completed Periods of Coverage under the Laws of the other Contracting State.
3. The provisions of Part III of this Agreement shall apply only to Benefits for which a claim is filed on or after the date on which this Agreement enters into force.

#### Article 16

##### Reconsideration, Appeals, and Time Limits

1. A written request for a reconsideration or appeal of a determination made by a Competent Institution of one Contracting State may be validly filed with a Competent Institution of either Contracting State. The reconsideration or appeal shall be decided according to the procedure and Laws of the Contracting State whose decision is being reconsidered or appealed.

2. Any claim, notice or written request for a reconsideration or appeal which, under the Laws of one Contracting State, must have been filed within a prescribed period with a Competent Institution of that Contracting State, but which is instead filed within the same period with a Competent Institution of the other Contracting State, shall be considered to have been filed on time.

#### Article 17

##### Transmittal of Claims, Notices, Reconsiderations, and Appeals

In any case to which the provisions of Article 15 or 16, or both, of this Agreement apply, the Competent Institution to which the claim, notice, or written request for a reconsideration or appeal has been submitted shall indicate the date of receipt on the document or any form developed for this purpose in accordance with Article 9 subparagraph (a), and transmit it without delay to the Liaison Institution of the other Contracting State.

#### Article 18

##### Currency

1. Payments under this Agreement may be made in the currency of the Contracting State making the payments.
2. In case provisions designed to restrict the exchange or export of currencies are introduced by either Contracting State, the Governments of both Contracting States shall immediately take measures necessary to ensure the transfer of sums owed by either Contracting State under this Agreement.

Article 19

Resolution of Disagreements

1. Any disagreement regarding the interpretation or application of this Agreement shall be resolved by consultation between the Competent Authorities.
2. If a disagreement is not resolved within twelve (12) months from the initiation of the consultations in accordance with paragraph 1 of this Article, either Contracting State may request resolution through diplomatic channels, in which case the Contracting States shall seek to resolve the dispute through such channels.

Article 20

Supplementary Agreements

This Agreement may be amended in the future by supplementary agreements.

PART V

Transitional and Final Provisions

Article 21

Transitional Provisions

1. This Agreement shall not establish any claim to payment of a Benefit for any period before the date of the entry into force of this Agreement, or to a lump-sum death payment if the person died before the entry into force of this Agreement.

2. Except as otherwise provided in this Agreement, in determining the right to Benefits under this Agreement, consideration shall be given to Periods of Coverage completed under the Laws of both Contracting States and other events that occurred before the entry into force of this Agreement.
3. In applying paragraph 1, 2, 3, or 4 of Article 6 of this Agreement in the case of persons who were sent to work in or transferred to the territory of a Contracting State prior to the date of entry into force of this Agreement, the period of employment or self-employment referred to in that paragraph shall be considered to begin on the date of entry into force of this Agreement.
4. Determinations concerning entitlement to Benefits made before the entry into force of this Agreement shall not affect rights arising under it.
5. The application of this Agreement shall not result in any reduction in the amount of a Benefit to which entitlement was established prior to the entry into force of this Agreement.

## Article 22

### Duration

1. This Agreement shall remain in force until the expiration of one (1) calendar year following the year in which written notice of its denunciation is given by one of the Contracting States to the other Contracting State.
2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of Benefits acquired under it shall be retained. The Contracting States shall make arrangements dealing with rights in the process of being acquired.

Article 23

Entry into Force

1. Each Contracting State shall transmit to the other Contracting State a diplomatic note of the compliance with all legal and constitutional requirements for the entry into force of this Agreement.
2. This Agreement shall enter into force on the first day of the third month following the date of the last note of an exchange of diplomatic notes in which the Contracting States notify each other of the completion of their respective necessary internal procedures for entry into force of this Agreement.

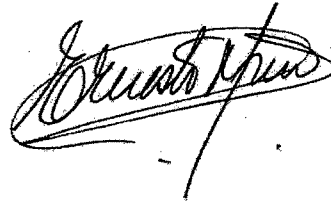
IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement.

DONE at *Montevideo* on this *10<sup>th</sup>* day of *January*, 2017, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the United States  
of America:



For the Oriental Republic  
of Uruguay:





**ADMINISTRATIVE ARRANGEMENT  
BETWEEN THE COMPETENT AUTHORITIES OF  
THE UNITED STATES OF AMERICA AND  
THE ORIENTAL REPUBLIC OF URUGUAY  
FOR THE IMPLEMENTATION OF  
THE AGREEMENT ON SOCIAL SECURITY BETWEEN  
THE UNITED STATES OF AMERICA AND  
THE ORIENTAL REPUBLIC OF URUGUAY**

The Competent Authority of the United States of America and  
the Competent Authority of the Oriental Republic of Uruguay,

In conformity with Article 9(a) of the Agreement on Social Security  
between the United States of America and the Oriental Republic of  
Uruguay, signed on \_\_\_\_\_, hereinafter referred to as the  
"Agreement," have agreed as follows:

**CHAPTER I**

**General Provisions**

**Article 1**

Where terms that appear in the Agreement are used in this Administrative  
Arrangement, they shall have the same meaning as they have in the  
Agreement.

Article 2

1. The Liaison Institutions defined in Article 1.1(e) of the Agreement shall be:
  - (a) for the United States, the Social Security Administration (la Administración de la Seguridad Social); and
  - (b) for Uruguay, the Banco de Previsión Social (the Social Security Bank).
2. The Liaison Institutions referred to in paragraph 1 of this Article are to decide upon the joint procedures and methods necessary for the implementation of the Agreement and this Administrative Arrangement.

CHAPTER II

Provisions on Applicable Laws

Article 3

1. Where the Laws of one Contracting State are applicable in accordance with any of the provisions of Article 5 or 6 of the Agreement, the Liaison Institution of that Contracting State, upon request of the employer or self-employed person, shall issue a certificate stating that the employee or self-employed person is subject to those Laws and indicating the duration for which the certificate shall be valid. This certificate shall be evidence that the employee or self-employed person is exempt from the Laws on compulsory coverage of the other Contracting State.

2. The certificate referred to in paragraph 1 of this Article shall be issued:
  - (a) in the United States, by the Social Security Administration (la Administración de la Seguridad Social); and
  - (b) in Uruguay, by the Banco de Previsión Social (the Social Security Bank).
3. The Liaison Institution of a Contracting State that issues a certificate referred to in paragraph 1 of this Article shall furnish a copy of the certificate or mutually decided information from the certificate to the Liaison Institution of the other Contracting State as needed.

### CHAPTER III

#### Provisions on Benefits

##### Article 4

1. Claims for Benefits under the Agreement shall be submitted on forms to be developed by the Liaison Institutions of the two Contracting States.
2. The Competent Institution of the Contracting State, with which a claim for Benefits is first filed in accordance with Article 15 of the Agreement, shall provide the Liaison Institution of the other Contracting State with such evidence and other information in its possession as may be required to complete action on the claim.
3. The Competent Institution of a Contracting State which receives a claim that was first filed with a Competent Institution or Liaison Institution of the other Contracting State shall without delay provide the Liaison Institution of the other Contracting State with such evidence and other available information in its possession as may be required for it to complete action on the claim.

4. The Competent Institution of the Contracting State with which a claim for Benefits has been filed shall verify the information pertaining to the claimant and the claimant's family members. The Liaison Institutions of both Contracting States shall decide the types of information to be verified.

## CHAPTER IV

### Miscellaneous Provisions

#### Article 5

1. In accordance with measures to be decided pursuant to paragraph 2 of Article 2 of this Administrative Arrangement, the Liaison Institution of one Contracting State shall, upon request by the Liaison Institution of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement.
2. For the purpose of facilitation of the implementation of the Agreement and this Administrative Arrangement, the Liaison Institutions may decide on measures for the electronic exchange of data.

#### Article 6

The Liaison Institutions shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished annually in a manner to be decided by the Liaison Institutions.

## Article 7

1. Where assistance is requested and provided under Article 10 of the Agreement, expenses other than regular personnel and operating costs shall be reimbursed to the Competent Institution providing the assistance, except as may be otherwise decided by the Competent Authorities or Liaison Institutions of the Contracting States.
2. Upon request, the Liaison Institution of either Contracting State shall furnish without cost to the Liaison Institution of the other Contracting State any medical information and documentation in its possession to assess the disability of the claimant or beneficiary.
3. Medical examinations of persons who reside in the territory of one of the Contracting States, which are required under the Laws of the other Contracting State, shall be arranged by the Liaison Institution of the first Contracting State, upon the request and at the expense of the requesting Liaison Institution. The costs of medical examinations shall not be refunded if they are performed for the use of the Competent Institutions of both Contracting States.
4. The Liaison Institution of one Contracting State shall reimburse amounts owed under paragraph 1 or 3 of this Article upon presentation of a statement of expenses by the Liaison Institution of the other Contracting State.

## Article 8

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and remain in force as long as the Agreement is in force.

DONE at *Montevideo*, this *10<sup>th</sup>* day of *January*, 2017, in duplicate in the English and Spanish languages, both texts being equally authentic.

For the Competent Authority  
of the United States of America:

Handwritten signature of Kelly Heidling in cursive script.

For the Competent Authority  
of the Oriental Republic of  
Uruguay:

Handwritten signature of the Competent Authority of Uruguay in cursive script.



## SOCIAL SECURITY

### MEMORANDUM

Date: March 2, 2017 Refer To: TCC

To: Stephen C. Goss, ASA, MAAA  
Chief Actuary

From: Chris Chaplain, ASA /s/  
Supervisory Actuary

Nettie Barrick /s/  
Actuary

Subject: Estimated Effects of a Potential Totalization Agreement between Uruguay and the United States—**INFORMATION**

This memorandum and the attached tables present estimates of the effects of implementing a potential totalization agreement with Uruguay assuming an effective date of January 1, 2019.

Table 1 shows the estimated net additional program costs to the Social Security systems of the United States (OASDI) and Uruguay under the potential agreement for fiscal years 2019 through 2025. In each case, these net additional program costs arise under the respective systems due to: (1) benefits payable because of the agreement; and (2) tax contributions eliminated for temporary foreign workers under the agreement.

The first three rows of Table 2 show estimates of the numbers of persons (as of mid-year) who would receive "totalized" benefits from each system. The fourth row of the table shows the number of Uruguayan citizens living outside the U.S., and Uruguayan residents who are citizens of a third country, who would be affected by removing the 5-year U.S. residency requirement for survivor or dependent benefits. The last two rows of the table show estimates of the numbers of temporary foreign workers in the respective countries who would be exempt from taxation by the local Social Security system under a totalization agreement. Under the agreement, U.S. workers working for a U.S. firm in Uruguay for a period expected to last 5 years or less would pay Social Security taxes only to the United States. Uruguayan workers working for a Uruguayan firm in the U.S. for a period expected to last 5 years or less would pay Social Security taxes only to the Uruguayan system. We base estimates shown in the tables on the intermediate set of assumptions of the 2016 OASDI Trustees Report. The exchange rate used in these estimates is 28.275769 Uruguayan pesos (UYU) per U.S. dollar (1 UYU = \$0.035366), the exchange rate as of January 25, 2017. To provide a frame of reference, the average exchange rate over the past 5 years is about 24.3695 UYU per U.S. dollar, with a low of about 18.7354 UYU per U.S. dollar and a high of about 32.5773 UYU per U.S. dollar.

These estimates are subject to much uncertainty. Many of the estimates are based on limited data for Uruguay and the assumption that certain relationships that apply on average for other countries where totalization agreements already exist will apply for Uruguay as well.

#### Numbers of Totalized Beneficiaries

To estimate the numbers of totalized beneficiaries under the U.S. Social Security system resulting from an agreement with Uruguay, we use two data sources for 21 of the existing agreement countries in a regression analysis.<sup>1</sup> From Census Bureau files, we estimate immigration and emigration. From counts of nonimmigrant visas issued by U.S. Foreign Service posts in each country to persons traveling to the U.S., over a 5-year period roughly 30 years ago when 2019-2025 retirees potentially receiving benefits under the totalization agreement were in their prime working years, we estimate the influx of temporary workers. This analysis yields an estimate of about 320 totalized beneficiaries under the U.S. Social Security system at the end of the 5<sup>th</sup> year of the potential agreement with Uruguay. For 9 of these existing-agreement countries, the predicted number of beneficiaries from the regression is higher than the actual number at the end of 5 years, by a median value of about 82 percent of the actual number. For 12 of these existing-agreement countries, the predicted number of beneficiaries from the regression is lower than the actual number, by a median value of about 29 percent of the actual number. Therefore, the number of OASDI beneficiaries at the end of the 5<sup>th</sup> year of implementation would be: (1) about 180, if the median relationship for countries with fewer beneficiaries than predicted by the regression analysis applies to Uruguay; and (2) about 450, if the median relationship for countries with more beneficiaries than predicted by the regression applies to Uruguay.

To estimate the number of totalized Uruguayan beneficiaries under the agreement, we use Census Bureau immigration data to make an initial estimate of the number of beneficiaries who will receive totalized benefits under the Uruguayan system. We then adjust this estimate based on a comparison of the number of beneficiaries under the U.S. system estimated using the same data, and the regression estimate for the U.S. system described in the previous paragraph.

Totalization agreements provide OASDI benefits mainly to three groups. The first group is Uruguayan non-immigrants (temporary visa holders) who work in the U.S. for less than 10 years. These workers would have coverage under the U.S. Social Security system (unless they work for a Uruguayan firm in the U.S. for 5 years or less after a totalization agreement becomes effective), and may be eligible for U.S. totalized benefits when their work in Uruguay is also considered. The second group is legal immigrants (generally permanent) from Uruguay to the U.S. who work in the U.S. for less than 10 years, frequently because they immigrate later in their working careers. The third group is emigrants from the U.S. to Uruguay (Uruguay-born or U.S.-born) who worked in the U.S. for less than 10 years, frequently because they emigrated relatively early in their careers.

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<sup>1</sup> We excluded 4 totalization agreement countries from the analysis—the Slovak Republic and Hungary because the agreements have not been in effect long enough for us to have five full years of data available, South Korea because work before 1986 in South Korea would not be counted as coverage in determining eligibility for totalized benefits, Luxembourg because of lack of data, and Canada because it is a border country with emigrant and immigrant patterns that would likely vary widely from those of Uruguay.



A totalization agreement between Uruguay and the United States precludes OASDI disability benefits for Uruguayan workers employed by a Uruguayan employer in the U.S. for 5 years or less who become disabled while working in the U.S. or shortly thereafter. However, temporary workers from Uruguay are unlikely to work long enough to qualify for U.S. disability benefits (generally at least 5 years), and are expected to be relatively healthy at the time they come to the U.S. to work. Therefore, we believe that reductions in OASDI disability benefits due to eliminating double taxation under a totalization agreement between Uruguay and the United States would be minimal. Similarly, we believe the reductions in disability benefits under the Uruguayan system would be very small, relative to removing taxation to the Uruguayan system for temporary U.S. workers in Uruguay.

#### 5-Year Residency Requirement

In addition to estimates of the number of persons who would receive totalized OASDI benefits, we also estimate the number of alien dependents and survivors who do not meet the 5-year U.S. residency requirement for receipt of Social Security benefits. These individuals would receive OASDI benefits under a totalization agreement because the residency requirement does not apply to totalization countries.

#### Effects Related to Other U.S. Social Insurance Programs

The principal financial effects of a totalization agreement apply to the Social Security programs of the countries involved. Totalization agreements do not cover Medicare benefits. Thus, the U.S. cannot use credits for work in Uruguay to establish entitlement under the Medicare program. However, the tax side of the U.S. Medicare program would be affected because of the removal of double taxation for Uruguayan workers who temporarily work in the U.S. for a Uruguayan firm. We do not expect corresponding reduced Medicare outlays, because attainment of Medicare entitlement by these workers is highly unlikely under the current (no totalization) rules. Medicare eligibility is largely restricted to individuals who either: (1) are at least age 65 and eligible for U.S. Social Security benefits; or (2) were entitled to U.S. Social Security disability benefits (as a disabled worker, disabled widow(er), or disabled adult child) for at least 24 months. Furthermore, Medicare reimbursement is generally restricted to services provided in the U.S. Under the current (no totalization) rules, it is unlikely that temporary workers from Uruguay would (a) work enough to qualify for Medicare and (b) live in the U.S. when they might avail themselves of Medicare services; therefore, we believe a totalization agreement between Uruguay and the United States would reduce Medicare benefits very minimally.

By law, totalization agreements do not affect payroll taxes paid for work injury (workers' compensation) and unemployment programs administered by the United States. Therefore, Uruguayan temporary workers employed by Uruguayan firms in the U.S., and their employers would still be required to pay any applicable workers' compensation and unemployment payroll taxes. These programs generally operate at the state, and not the federal, level.

#### Effects Related to Other Uruguayan Social Insurance Programs

Under a totalization agreement, the Uruguayan system would no longer require U.S. temporary workers in Uruguay (and their U.S.-based employers) to pay into Uruguay's national health insurance system. The reduction in contributions increases from an estimated \$0.9 million in fiscal year (FY) 2019 to \$1.6 million in FY 2025. These estimates assume the current contribution rate of 11.5% (5% employer, estimated average 6.5% employee) to the Uruguayan national health insurance system continues through this period. By eliminating contributions to the Uruguayan national health insurance system for these temporary U.S. workers in Uruguay, a totalization agreement would result in these workers no longer being eligible for services under that system. These foregone health insurance services represent a savings to the Uruguayan system.

The value of foregone national *health insurance* services for U.S. temporary workers in Uruguay is extremely difficult to estimate, but is expected to be small. It is very likely that U.S. temporary workers in Uruguay are relatively healthy and do not need much in the way of health services. Due to the assumed healthiness of the U.S. temporary worker population, the propensity to use health providers outside the Uruguayan system, and the benefits paid by U.S. employers, we estimate, very roughly, that the value of benefits currently provided to U.S. workers by the Uruguayan national health insurance system is about one-tenth of the amount of their contributions to that system. Table 1 shows the estimates of net costs to the Uruguayan health insurance system, which range from \$0.8 million in FY 2019 to \$1.4 million in FY 2025—about 4 times the estimated net cost to the U.S. Medicare system for those years.

For the Uruguayan system, under a totalization agreement, U.S. temporary workers in Uruguay (and their U.S. based employers) would only be relieved of paying retirement, disability, survivor, and health insurance contributions. No other Uruguayan taxes are included in this agreement.

#### Long-Range Financial Effects

Implementing the potential totalization agreement between the U.S. and Uruguay would decrease the long-range (75-year) actuarial balance of the OASDI program by an amount that is estimated to be negligible (that is, by less than 0.005 percent of taxable payroll).

Table 3 displays the components of the estimated net cost to the OASDI Trust Funds for years 2016 through 2090 on a "CPI-indexed to 2016" basis, i.e., indexing the amounts back to the year 2016 by assumed changes in the consumer price index (CPI). In addition, the table displays total estimated OASDI net costs on an annual and cumulative present-value basis, i.e., indexing the amounts back to January 1, 2016 by projected interest rates earned by the OASDI Trust Funds on special-issue U.S. Government bonds.

Attachments: 3

**Table 1.**--Estimated net additional program costs for the U.S. and Uruguayan Social Security (and other) systems under a potential totalization agreement between the two countries, fiscal years 2019-2025  
(In millions)

	Fiscal year							Total, FY
	2019	2020	2021	2022	2023	2024	2025	2019-25
Financial Effects for the U.S. Social Security system:								
Increase in OASDI benefit payments .....	a	a	\$1	\$1	\$1	\$1	\$1	\$6
Reduction in OASDI tax contributions.....	\$1	\$1	1	1	1	1	1	8
Net OASDI cost .....	1	1	2	2	2	2	3	13
Net cost to the Medicare system .....	a	a	a	a	a	a	a	2
Net costs to the Social Security System of Uruguay:								
Increase in benefit payments .....	a	1	1	2	3	3	4	14
Reduction in Uruguayan OASDI tax contributions <sup>b</sup> ..	a	a	a	1	1	1	1	4
Total.....	a	1	2	2	3	4	4	17
Net cost to the Uruguayan national health insurance system <sup>c</sup> .....	1	1	1	1	1	1	1	8

<sup>a</sup> Less than \$500,000.

<sup>b</sup> In the absence of a totalization agreement, \$2.1 million of the total \$3.6 million lost contributions from FY2019-FY2025, would go to a worker's individual account and theoretically be returned to the worker as a retirement or disability benefit, or to the worker's survivors in the event of the worker's death.

<sup>c</sup> Includes health insurance payroll tax contributions that the totalization agreement with Uruguay would eliminate.

**Notes:**

1. The agreement is assumed to become effective on January 1, 2019.
2. The estimates are based on the intermediate assumptions of the 2016 Trustees Report.
3. Totals may not equal the sums of the components due to rounding.
4. Estimates are in U.S. dollars. The assumed exchange rate is 28.275769 Uruguayan pesos per U.S. dollar.

Social Security Administration  
Office of the Chief Actuary  
March 2, 2017

**Table 2.**—Estimated number of persons affected by a potential totalization agreement between the United States and Uruguay, fiscal years 2019-2025  
(In thousands)

	Fiscal year						
	2019	2020	2021	2022	2023	2024	2025
Number of persons receiving a totalized OASDI benefit based in part on employment in Uruguay (in current-pay status at mid-year).....	a	.1	.1	.2	.3	.3	.4
Number of persons receiving a totalized Uruguayan benefit based in part on employment in the United States (in current-pay status at mid-year).....	.1	.2	.4	.6	.8	1.0	1.1
Number of persons receiving both a totalized OASDI benefit and a totalized benefit from Uruguay (in current-pay status at mid-year).....	a	a	a	a	.1	.1	.1
Number of residents of Uruguay, or Uruguayan citizens living outside the U.S., who would now be able to receive OASDI dependent or survivor benefits because the 5-year residency requirement would no longer apply (in current-pay status at mid-year).....	.1	.1	.1	.1	.1	.1	.1
Number of U.S. employees in Uruguay who, along with their employers, would no longer make tax contributions during the year to the Social Security system of Uruguay .....	.1	.1	.1	.1	.1	.1	.1
Number of Uruguayan employees in the U.S who, along with their employers, would no longer make tax contributions during the year to the OASDI trust funds.....	.1	.1	.1	.1	.1	.1	.1

<sup>a</sup> Fewer than 50.

Notes:

1. The agreement is assumed to become effective on January 1, 2019.
2. The estimates are based on the intermediate assumptions of the 2016 Trustees Report.

Social Security Administration  
Office of the Chief Actuary  
March 2, 2017

Table 3--Projected Net OASDI Cost of Implementing Proposed Totalization Agreement Between U.S. and Uruguay

Year	Additional OASDI Net Benefits For Year 1/	Change in OASDI Payroll Taxes For Year	Additional OASDI Net Cost For Year 2/	Additional OASDI Net Cost For Year 2/	Cumulative Additional OASDI Net Cost 2/
(Millions of CPI-indexed 2016\$)			(Millions of \$, Present Value as of 1-1-16)		
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	0	0	0	0	0
2019	0	-1	1	1	1
2020	0	-1	1	1	2
2021	1	-1	2	1	4
2022	1	-1	2	2	5
2023	1	-1	2	2	7
2024	1	-1	2	2	9
2025	1	-1	2	2	11
2026	1	-1	2	2	13
2027	1	-1	2	2	15
2028	1	-1	2	2	17
2029	1	-1	2	2	19
2030	1	-1	2	2	21
2031	1	-1	2	2	23
2032	1	-1	2	2	25
2033	1	-1	2	2	27
2034	1	-1	2	2	29
2035	1	-1	3	2	30
2036	1	-1	3	2	32
2037	1	-1	3	2	34
2038	1	-1	3	2	36
2039	1	-1	3	2	38
2040	1	-1	3	2	40
2041	1	-1	3	2	41
2042	2	-1	3	2	43
2043	2	-1	3	2	45
2044	2	-1	3	2	47
2045	2	-1	3	2	48
2046	2	-1	3	2	50
2047	2	-1	3	2	52
2048	2	-1	3	2	53
2049	2	-2	3	2	55
2050	2	-2	3	2	57
2051	2	-2	3	2	58
2052	2	-2	3	2	60
2053	2	-2	3	2	61
2054	2	-2	4	2	63
2055	2	-2	4	2	65
2056	2	-2	4	2	66
2057	2	-2	4	2	68
2058	2	-2	4	2	69
2059	2	-2	4	2	71
2060	2	-2	4	1	72
2061	2	-2	4	1	74
2062	2	-2	4	1	75
2063	2	-2	4	1	77
2064	2	-2	4	1	78
2065	2	-2	4	1	79
2066	2	-2	4	1	81
2067	2	-2	4	1	82
2068	2	-2	4	1	84
2069	2	-2	5	1	85
2070	3	-2	5	1	86
2071	3	-2	5	1	88
2072	3	-2	5	1	89
2073	3	-2	5	1	90
2074	3	-2	5	1	92
2075	3	-2	5	1	93
2076	3	-2	5	1	94
2077	3	-2	5	1	95
2078	3	-2	5	1	97
2079	3	-2	5	1	98
2080	3	-3	5	1	99
2081	3	-3	6	1	100
2082	3	-3	6	1	102
2083	3	-3	6	1	103
2084	3	-3	6	1	104
2085	3	-3	6	1	105
2086	3	-3	6	1	106
2087	3	-3	6	1	107
2088	3	-3	6	1	109
2089	3	-3	6	1	110
2090	4	-3	6	1	111

Based on Intermediate Assumptions of the 2016 Trustees Report.

1/ Additional benefits less revenue to OASDI from taxes on benefits.

2/ Additional net benefit payments minus change in payroll-tax revenue.

Social Security Administration  
Office of the Chief Actuary  
March 2, 2017

**MAIN PROVISIONS  
OF THE UNITED STATES-URUGUAY SOCIAL SECURITY AGREEMENT**

**Introduction**

In general, Section 233(c)(1) of the Social Security Act ("Act") requires that international agreements concluded pursuant to that section meet three requirements:

- They must eliminate dual coverage of the same work under the social security systems of the United States and the other agreement country;
- They must allow for combining credits that the worker earns under the two systems for benefit eligibility purposes; and
- When combined credits establish eligibility for U.S. Social Security benefits, the basis for the U.S. benefit payable must be the proportion of the worker's periods of coverage completed under title II of the Act.

The U.S.-Uruguay agreement includes these required provisions.

**Elimination of Dual Coverage**

The agreement establishes rules to eliminate dual coverage and taxation, the situation that now exists when a person from either the United States or Uruguay works in the other country. The agreement sets forth a general rule under which the social security system of the country where the employee performs the work will cover the employee, subject to the following exceptions:

- If an employer sends an employee from one of the agreement countries to work in the other country for a period not expected to exceed five years, the agreement provides that the employee will remain covered under the home country's social security system. Under a separate provision of the agreement, this same rule applies to a self-employed person who moves to work in the other country for a period not expected to exceed five years.
- Thus, a person whose U.S. employer temporarily transfers him or her to Uruguay will retain coverage under, and pay contributions to, the U.S. program exclusively. The agreement will relieve the employer and employee (or self-employed person) of the additional burden of paying social security contributions to the Uruguayan program.
- The agreement also sets forth special coverage rules for employees of the governments of the two countries and for workers in international air and maritime transportation.

### **Totalization Benefit Provisions**

The agreement will also help prevent situations where workers suffer a loss of benefit rights because they divide their careers between the United States and Uruguay.

Under the rules that apply to the United States, if a person has:

- credit for at least six quarters of coverage under the U.S. Social Security system; and
- not enough credits under the U.S. Social Security system to qualify for a retirement, survivors, or disability benefit,

the United States will totalize (i.e., combine) the worker's coverage credits from both countries for the purpose of determining eligibility for a U.S. retirement, survivors, or disability benefit. A person is eligible for a benefit if the worker meets the requirements for a benefit under the U.S. Social Security system based on the combined credits. The benefit amount payable to a person who qualifies based on totalized credits is proportional to the amount of coverage completed in the United States.

Under the rules that apply to Uruguay, if a person does not have enough total or recent coverage under the Uruguayan system to qualify for a retirement, survivors, or disability benefit, Uruguay will totalize the worker's coverage credits from both countries for the purpose of determining eligibility for a Uruguayan retirement, survivors, or disability benefit. Where combined credits from both countries establish eligibility, Uruguay will compute a theoretical benefit amount as if the worker had completed his or her U.S. periods of coverage under Uruguayan law. To determine the benefit amount actually payable, Uruguay will prorate the theoretical amount by multiplying it by the ratio of the periods of coverage credited under Uruguayan law to the total periods credited in both countries.

If a person qualifies for a benefit from the social security system of either country without the need to use credits the worker earned under the other country's social security system, a totalized benefit will not be paid by the country under whose laws the person qualifies; rather, a non-totalized benefit will be paid. However, entitlement to such benefit shall not preclude entitlement to a totalized benefit from the social security system of the other country, provided the person meets all the applicable requirements.

## UNITED STATES-URUGUAY ADMINISTRATIVE ARRANGEMENT

### **Purpose**

The administrative arrangement establishes a number of principles which will serve as the basis for developing operating procedures. In particular, it authorizes the designated liaison institutions to develop procedures and forms necessary to implement the principal agreement. The liaison institutions are:

- for the United States, the Social Security Administration (SSA); and
- for Uruguay, the Banco de Previsión Social (BPS).

### **Elimination of Dual Coverage**

The administrative arrangement sets forth rules for issuing the documentation necessary to exempt workers covered under one country's system from coverage under the other country's system. These rules provide that, upon request of a worker, his or her employer, or a self-employed person, the Competent Institution (as defined in the agreement) whose coverage laws will apply to a person working in the other country will issue a certificate of coverage. The certificate shall serve as proof of exemption from social security tax obligations under the other country's social security system.

### **Benefit Provisions**

SSA and the Liaison Institution of Uruguay will exchange coverage records and other information required to process benefit claims filed under the agreement. The administrative arrangement sets forth procedures governing this exchange of claims-related information.



PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

**AGREEMENT ON SOCIAL SECURITY  
BETWEEN  
THE UNITED STATES OF AMERICA  
AND  
THE ORIENTAL REPUBLIC OF URUGUAY**

The United States of America ("United States") and

The Oriental Republic of Uruguay ("Uruguay")

(hereinafter individually known as "Contracting State," or collectively as  
"Contracting States"),

Being desirous of regulating the relationship between the two countries in  
the field of social security, have agreed as follows:

**PART I  
General Provisions**

**Article 1  
Definitions**

Article 1 defines key terms used in this Agreement.

1. For the purposes of this Agreement on Social Security between the  
United States of America and the Oriental Republic of Uruguay  
(hereinafter "Agreement"):

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 2 -

- (a) "National" means,

as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended, and

as regards Uruguay, a natural or legal citizen as provided for in Articles 73 through 75 of the Constitution of the Republic;

- (b) "Laws" means the laws and regulations specified in Article 2 of this Agreement;
- (c) "Competent Authority" means,

as regards the United States, the Commissioner of Social Security, and

Under section 101(a)(22) of the Immigration and Nationality Act, "the term 'national of the United States' means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States." Those in category (B) include natives of American Samoa.

Articles 73 through 75 prescribe categories of persons to whom Uruguayan citizenship is accorded. Natural born citizens include anyone born in the territory of Uruguay and children of Uruguayan citizens regardless of their place of birth, provided they subsequently reside in Uruguay and are recorded in the Civil Register. Naturalized citizens include foreign nationals who have capital or own property in the country, are currently employed, and have resided in Uruguay for either 3 years (if they have family in Uruguay) or 5 years (if they have no family in the country). The General Assembly of Uruguay can also naturalize a person on the basis of noteworthy services or outstanding merit.

The term "Laws," as used in this Agreement, refers to each country's social security laws and regulations as set forth in Article 2.

"Competent Authority," wherever it appears in this Agreement, refers to the government official in each country with ultimate responsibility for administering the social security program and the provisions of this Agreement.

The Commissioner of Social Security is the Competent Authority for the United States.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 3 -

as regards Uruguay, the Ministerio de Trabajo y Seguridad Social (Ministry of Labor and Social Security), and by delegation, the Banco de Previsión Social (Social Security Bank);

While the Ministerio de Trabajo y Seguridad Social typically holds the position of Competent Authority for issues related to social security in Uruguay, it delegates such authority to the Banco de Previsión Social (BPS) under Uruguay's international agreements program.

(d) "Competent Institution" means,

"Competent Institution," as used in this Agreement, refers to the administrative body in each country responsible for taking and processing claims and making coverage determinations under each country's social security Laws.

as regards the United States, the Social Security Administration, and

The Social Security Administration (SSA) is the Competent Institution for the United States. However, the U.S. Internal Revenue Service (IRS) retains its responsibility for determining Social Security tax liability based on SSA coverage determinations under this Agreement.

41

as regards Uruguay, the Banco de Previsión Social (Social Security Bank), the Caja Notarial de Seguridad Social (Notarial Social Security Fund), the Caja de Jubilaciones y Pensiones de Profesionales Universitarios (Pension and Retirement Fund of University Professionals), the Caja de Jubilaciones y Pensiones Bancarias (Banking Pension and Retirement Fund), the Servicio de Retiros y Pensiones Policiales (Police Retirement and Pension Fund), and the Servicio de Retiros y Pensiones de las Fuerzas Armadas (Armed Forces Pension and Retirement Fund);

The Competent Institutions designated by Uruguay represent the different types of funds and schemes of social insurance in Uruguay. While the different Competent Institutions each administer individual schemes (for university workers, finance professionals, police, armed services, etc.), the Banco de Previsión Social acts as a liaison between the many different bodies, which each operate under relatively harmonized rules and regulations.

## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 4 -

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| <p>(e) "Liaison Institution" means the organization responsible for coordinating and exchanging information between the Competent Institutions of both Contracting States;</p>  | <p>Article 2 of the Administrative Arrangement designates the institutions in each country that will coordinate implementation and administration of this Agreement's coverage and Benefit provisions. SSA is the designated Liaison Institution for the United States. The counterpart Liaison Institution for Uruguay is the BPS.</p>   |
| <p>(f) "Period of Coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the Laws under which such period has been completed, or any similar period insofar as it is recognized by such Laws as equivalent to a period of coverage;</p> | <p>"Period of Coverage" means any period credited under the social security Laws of either country for purposes of determining Benefit eligibility, including periods of covered employment and self-employment.</p>  |
| <p>(g) "Benefit" means any benefit provided for in the Laws specified in Article 2 of this Agreement; and</p>   | <p>"Benefit" refers to old-age, survivors, and disability Benefits provided under the social security Laws of either country. With respect to the United States, the term also includes the lump-sum death payment under section 202(i) of the Social Security Act ("Act"). It also excludes special age-72 payments provided for certain uninsured persons under section 228 of the Act.</p> |

- (h) "Personal Data" means any information relating to a specific (identified or identifiable) person, as well as any information that can be used to distinguish or trace an individual's identity. This includes, but is not limited to, the following: any individual identifier; citizenship, nationality, statelessness, or refugee status; benefits, eligibility, or other claims information; contact information; medical information or lay information used in a medical determination; information about marital, familial, or personal relationships; and information pertaining to work, financial, or economic status.

2. Any term not defined in this Article shall have the meaning assigned to it in the applicable Laws.

**Article 2**  
**Material Scope**

1. For the purposes of this Agreement, the applicable Laws are:
- (a) as regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

"Personal data" refers to personally identifiable information. Since there is no definition of "personal data" in the Act, this term incorporates and expands upon essential elements of the definition of "information" applying to SSA at 20 CFR 401.25.

If this Agreement does not define a term, that term has the same meaning as it does under each country's national laws.

Article 2.1 specifies the Laws to which this Agreement applies.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 6 -

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| <p>(i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A, and 228 of that title, and regulations pertaining to those sections, and</p>  | <p>For the United States, this Agreement applies to title II of the Act. It also applies to the corresponding tax laws (the Federal Insurance Contributions Act—FICA and the Self-Employment Contributions Act—SECA) and any regulations pertaining to those laws. This Agreement does not apply to Medicare provisions (sections 226 and 226A of the Act). It also does not apply to provisions for special payments to uninsured individuals age 72 or over under section 228 of the Act. Persons to whom this Agreement applies who qualify for Medicare hospital insurance or age-72 payments without application of this Agreement may still receive such benefits.</p> |
| <p>(ii) Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters; and</p>  | <p>An employee and his or her employer (or a self-employed person) who are exempt from making U.S. contributions by virtue of Articles 5 and 6 of this Agreement shall be exempt from U.S. FICA and SECA taxes, which include old-age, survivors, disability, and Medicare contributions.</p>  |
| <p>(b) as regards Uruguay, the constitutional, legal and regulatory provisions regarding the contributory benefits for disability, old age and survivors, managed by the Banco de Previsión Social (Social Security Bank), the Caja Notarial de Seguridad Social (Notarial Social Security Fund), the Caja de Jubilaciones y Pensiones de Profesionales Universitarios (Pension and Retirement Fund of University Professionals), the Caja de Jubilaciones y Pensiones Bancarias (Banking Pension and Retirement Fund), the Servicio de Retiros y Pensiones Policiales (Police Retirement and Pension Fund), and the Servicio de Retiros y Pensiones de las Fuerzas Armadas (Armed Forces Pension and Retirement Fund);</p> | <p>For Uruguay, this Agreement applies to the laws governing Benefits paid on account of old-age, disability, and death under the different schemes currently governing social insurance in Uruguay. An employee and his or her employer (or a self-employed person) who are exempt from making Uruguayan contributions by virtue of Articles 5 and 6 of this Agreement shall be exempt from mandatory pension program and health insurance contributions.</p>   |

## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 7 -

2. Unless otherwise provided in this Agreement, the Laws referred to in paragraph 1 of this Article shall not include treaties or other international agreements or supranational legislation on Social Security concluded between one Contracting State and a third State, or Laws promulgated for their specific implementation.
3. This Agreement shall apply to any amendments to the Laws, including changes to the Laws that extend the provisions of this Agreement in a Contracting State to new categories of beneficiaries or new benefits, unless the Competent Authority of such Contracting State notifies the Competent Authority of the other Contracting State in writing within three (3) months after the official publication of the new legislation or regulations that no such extension is intended under the terms of this Agreement.

Except as this Agreement itself provides, the Laws to which this Agreement applies do not include treaties and other international agreements. This includes either country's bilateral social security agreements with third countries or multilateral agreements. This provision ensures that if a person has Periods of Coverage in the United States and Uruguay and periods of coverage in a third country with which either country has a social security agreement, SSA cannot combine periods from all three countries to meet U.S. Benefit eligibility requirements.

Article 2.3 provides that this Agreement will automatically apply to any future U.S. or Uruguayan legislation that amends or supplements the Laws set forth in paragraph 1. This includes legislation that creates new categories of beneficiaries or new benefits. The country enacting the legislation may exclude it from the scope of this Agreement by giving written notice to the other country within 3 months of the legislation's official publication.

45

### **Article 3 Personal Scope**

This Agreement shall apply to:

Article 3 specifies the persons to whom this Agreement applies. These include persons currently or previously covered under U.S. or Uruguayan Laws. This Agreement also applies to the dependents and survivors of such persons when the Laws of one or both countries confer rights to dependents or survivors because of their relationship to such persons.

- (a) persons who are or have been subject to the Laws of one or both Contracting States; and
- (b) other persons with respect to the rights they derive from the persons described in sub-paragraph (a) of this Article.

**Article 4****Equality of Treatment and Portability of Benefits**

1. Unless otherwise provided in this Agreement, persons described in Article 3 of this Agreement who reside in the territory of one Contracting State shall receive equal treatment with Nationals of such Contracting State as regards the application of its Laws.
2. Unless otherwise provided in this Agreement, any provision of the Laws of a Contracting State which restricts entitlement to or payment of Benefits solely because a person resides outside or is absent from the territory of that Contracting State shall not be applicable to a person who resides in the territory of the other Contracting State.

Article 4.1 provides that persons to whom this Agreement applies who reside in the United States or Uruguay will receive the same treatment as that country gives its own Nationals. Article 7.7 of this Agreement limits this provision to ensure that any equal treatment accorded in this paragraph does not contravene existing U.S. Laws.

The intent of this provision is to eliminate discrimination based on a person's nationality with respect to Benefits. It would not affect restrictions on Benefit eligibility or payment because a person is not lawfully present in that country or did not have permission to work in that country. The provision also does not affect the coverage provisions of either country's Laws, since Part II of this Agreement deals with social security coverage.

Article 4.2 provides that where the Laws of either country require residence in that country in order to qualify for or receive social security Benefits, a person may also qualify for and receive those Benefits while residing in the other country. By virtue of SSA's published finding about Uruguay's social security system (see FR Doc No 94-7097), the United States has long paid benefits to Uruguayan citizens who do not satisfy U.S. residency requirements for Benefit payment contained in section 202(t)(1) of the Act.



## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 9 -

### **PART II** **Provisions Concerning Applicable Laws**

#### **Article 5** **General Rules**

Except as otherwise provided in this Part, a person employed or self-employed within the territory of one of the Contracting States, with respect to that employment or self-employment, shall be subject to the Laws of only that Contracting State.

However, the nonpayment exception is subject to other U.S. payment restrictions based on residency requirements for dependents and survivors; e.g., section 202(t)(11) of the Act. Both countries intend that under this Agreement, Nationals of either country may qualify for or receive Benefits while residing in the other country. Accordingly, under section 233(c)(2) of the Act, this Agreement will permit the United States to pay dependents and survivors currently subject to such residency requirements as well as certain persons who are third country nationals residing in either country.

Part II eliminates dual social security coverage, which occurs when a worker must pay social security taxes to both countries for the same earnings. This Agreement complies with the existing coverage provisions under the Laws of both countries except when necessary to prevent payment of social security taxes to both countries for the same earnings. The provisions in this Part retain the worker's social security coverage and taxation in the country to whose economy he or she has the more direct connection, while exempting the worker from coverage and taxation under the other country's system.

Article 5 establishes a basic territoriality rule, stating that ordinarily, only the country in which a person is working will compulsorily cover the person's work in that country. Work that both countries would otherwise cover will remain covered exclusively under the system of the country where the person is working. Such work activity will be exempt from coverage under the other country's system.

**Article 6**  
**Specific Rules**

1. Where a person who is normally employed in the territory of one Contracting State by an employer in that territory is sent by that employer to the territory of the other Contracting State for a temporary period that is not expected to exceed five (5) years, the person shall be subject to the Laws of only the first Contracting State as if the person were still employed in the territory of the first Contracting State.
  
2. When a self-employed worker transfers from the territory of one Contracting State to the territory of the other Contracting State for the purpose of performing his or her usual work for a period that is not expected to exceed five (5) years, he or she will be exclusively subject to the Laws of the first Contracting State as if he or she continued working in the territory of the first Contracting State.

Under Article 6.1, an employee who normally works for an employer located in the United States or in Uruguay who temporarily transfers to work in the other country for the same employer will continue to pay social security taxes to the system of the country from which the employee transferred. This rule will apply only if the employer expects the period of transfer to be 5 years or less.

In determining the length of a transfer for workers whose employer sent them from one country to the other before this Agreement entered into force, both countries will ignore any period of work before this Agreement's entry into force. (See Article 21.3).

Article 6.2 provides that a person who is self-employed in one country who transfers his or her trade or business to the other country for a period of 5 years or less will remain covered only by the country from which he or she moved. This rule will apply only if the self-employed person expects the period of transfer to last 5 years or less.

In determining the duration of such a transfer for a person who moves his or her business to the other country before this Agreement enters into force, Article 21.3 provides that both countries will ignore any period of self-employment before this Agreement's entry into force.

# PRINCIPAL AGREEMENT

# ANNOTATIONS AND COMMENTS

- 11 -

3. For purposes of applying paragraph 1 of this Article in the case of an employee who is sent from the territory of a Contracting State by an employer in that territory to the other Contracting State to work for an affiliated company of that employer, that employer and the affiliated company of the employer (as defined under the laws of the Contracting State under which the employer is organized) shall be considered one and the same, provided that, if this Agreement did not exist, the employment would have been covered under the Laws of the Contracting State from which the employee was sent.
4. Paragraphs 1 and 3 of this Article shall apply where a person who has been sent by his or her employer from the territory of a Contracting State to the territory of a third State, and who is compulsorily covered under the Laws of that Contracting State while employed in the territory of the third State, is subsequently sent by that employer from the territory of the third State to the territory of the other Contracting State.

Article 6.3 broadens the scope of Article 6.1 to include certain workers whose employers in one country send them to work for a subsidiary or other affiliate of that employer in the other country.

U.S. Laws allow American companies to extend U.S. Social Security coverage to U.S. citizens and resident aliens employed by an affiliated company in another country. To do this, the parent company in the United States must enter into an agreement with the IRS to pay Social Security contributions on behalf of all U.S. citizens and residents the foreign affiliate employs. Under Article 6.3, U.S. citizens or resident aliens an American employer sends to work for a Uruguayan affiliate for 5 years or less will continue to have coverage in the United States and be exempt from Uruguayan coverage and contributions, if an IRS agreement covers the affiliate.

Under Article 6.4, the provisions of Articles 6.1 and 6.3 will apply even if an employee did not transfer directly from one country to the other, but first transferred to work in a third country.

5. (a) A person who is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and who would be covered under the Laws of both Contracting States shall be subject to the Laws of only the Contracting State whose flag the vessel flies. For purposes of the preceding sentence, a vessel which flies the flag of the United States is one defined as an American vessel under the Laws of the United States.
- (b) Traveling employees of air transportation companies who perform work in the territories of both Contracting States and who would otherwise be covered under the Laws of both Contracting States shall, with respect to that work, be subject to the Laws of only the Contracting State in the territory of which the company has its headquarters. However, if such employees reside in the territory of the other Contracting State, they shall be subject to the Laws of only that Contracting State.

Article 6.5(a) states that an employee on a U.S. or Uruguayan ship, who would otherwise have coverage in both countries, will have coverage only in the country whose flag the ship flies. U.S. Law considers a ship to fly the flag of the United States if the Act defines it as an American vessel. Section 210(c) of the Act defines an American vessel as one that is, "documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State."

Under Article 6.5(b), a member of the flight crew of an aircraft operating between the United States and Uruguay who would otherwise have coverage in both countries will have coverage only in the country in which the company employing the person has its headquarters. However, if the employee resides in the other country, he or she will only have coverage in that country.

6. (a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

Article 6.6(a) specifies that the coverage provisions of this Agreement will not affect the relevant provisions of the Vienna Conventions on Diplomatic and Consular Relations. The Vienna Conventions, to which both the United States and Uruguay are parties, address the application of social security provisions in force in the receiving state to diplomatic agents, members of the administrative and technical staffs, member of consular posts and family members of such staff who form part of their households, the service staffs of the missions, and private servants whom the members of such missions employ.

The Vienna Conventions usually exempt such persons from social security coverage and contributions in the host country with respect to services rendered for the sending state, with certain limited exceptions. Persons who do not enjoy an exemption under the Conventions would be subject to the Laws of the host country and the coverage provisions of this Agreement, including Article 6.6 (b), if applicable.

- (b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the Laws of the other Contracting State by virtue of the Vienna Conventions mentioned in subparagraph (a) of this paragraph shall be subject to the Laws of only the first Contracting State. For the purpose of this paragraph, government employment includes any work performed for a government agency or instrumentality.

Under Article 6.6(b), if a U.S. or Uruguayan National works for his or her country's Government in the other country, but the Vienna Conventions do not provide an exemption to this person, the person will be subject only to his or her country's Laws. This provision applies to U.S. Government and Uruguayan Government employees, as well as to persons working for a U.S. Government instrumentality.

7. At the request of the worker and the employer or self-employed person, the Competent Authorities of the two Contracting States may agree to grant an exception to the provisions of this Article with respect to particular persons or categories of persons, provided that any affected person shall be subject to the Laws of one of the Contracting States.

**PART III**  
**Provisions on Benefits**

**Article 7**  
**United States Benefits**

1. Where a person has completed at least six (6) quarters of coverage under United States Laws, but does not have sufficient Periods of Coverage to satisfy the requirements for entitlement to Benefits under United States Laws, the Competent Institution of the United States shall take into account, for the purpose of establishing entitlement to Benefits under this Article, Periods of Coverage which are credited under Uruguayan Laws and which do not coincide with Periods of Coverage already credited under United States Laws.

Under Article 6.7, upon request of a person and his or her employer, either country may grant an exception to the coverage rules of this Agreement if the other country agrees and the person involved retains coverage in one of the countries. Either country may grant such an exception to an individual worker or to all workers under similar circumstances, e.g., in the same profession or working for the same employer. This provision allows the Competent Authorities to resolve anomalous coverage situations that are unfavorable to workers or to eliminate dual coverage in unforeseen circumstances.

Part III establishes the basic rules for determining social security Benefit entitlement when an individual has coverage in both countries. It sets out the rules for determining Benefit amounts when entitlement is possible only with combined work credits. Article 7 deals with the U.S. system, and Article 8 contains rules applicable to the Uruguayan system.

Article 7 contains rules for using combined coverage to determine U.S. Benefit eligibility and amounts.

Under Article 7.1, if a person has at least six U.S. quarters of coverage, but not enough quarters to qualify for U.S. Benefits, SSA will take into account Periods of Coverage that Uruguayan Laws credit, if these periods do not coincide with quarters of coverage that the United States already credited.

## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 15 -

2. Where it is not possible to determine the calendar quarter during which a specific Period of Coverage was completed under the Laws of the United States, the United States Competent Institution will presume that the Period of Coverage does not coincide with a Period of Coverage completed in Uruguay.
  
3. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of the United States shall credit one (1) quarter of coverage for every ninety (90) days of coverage certified by the Competent Institution of Uruguay. The total number of quarters of coverage to be credited for one year shall not exceed four (4).

Since 1978, SSA has credited quarters of coverage based on a worker's total earnings in a given calendar year. It is not generally possible to determine the period in any given calendar year during which a person worked. Accordingly, where necessary, SSA credits Periods of Coverage within such calendar year in a manner to entitle the worker and his or her dependents or survivors to Benefits (see 20 C.F.R. § 404.1908 (b)(2)).

Article 7.3 establishes how SSA will convert Periods of Coverage under the Uruguayan system into equivalent periods under the U.S. system. The U.S. system measures Periods of Coverage in terms of calendar quarters while the Uruguayan system measures Periods of Coverage in days, months, and years.

53

Beginning in 1978, SSA bases quarters of coverage on the amount of a person's annual earnings (e.g., for 2015, \$1,220 in earnings equals one quarter of coverage). Under Article 7.3, SSA will credit one quarter of coverage in a calendar year for every 90 days of coverage that the Uruguayan Competent Institution certifies for that year.

SSA will not credit more than 4 quarters of coverage for any calendar year. SSA will also not credit months of coverage under Uruguayan Laws that fall within a calendar quarter that SSA already credited as a U.S. quarter of coverage.

## PRINCIPAL AGREEMENT

- 16 -

## ANNOTATIONS AND COMMENTS

4. The Competent Institution of the United States shall not take into account Periods of Coverage that occurred prior to the earliest date when Periods of Coverage may be credited under United States Laws, nor will the Competent Institution of the United States take into account any Periods of Coverage that are not based on wages or self-employment income.
  
5. Where entitlement to a Benefit under United States Laws is established according to the provisions of paragraph 1 of this Article, the Competent Institution of the United States shall compute a pro rata Primary Insurance Amount in accordance with United States Laws based on:
  - (a) the person's average earnings, credited exclusively under United States Laws; and
  - (b) the ratio of the duration of the person's Periods of Coverage completed under United States Laws, to the total duration of a coverage lifetime as determined in accordance with United States Laws.

Benefits payable under United States Laws shall be based on the pro rata Primary Insurance Amount.

For purposes of entitlement to Benefits under this Agreement, SSA will not consider periods of Uruguayan coverage credited prior to 1937, the earliest date for which U.S. law permits crediting Periods of Coverage. SSA also will not consider deemed Periods of Coverage under the Uruguayan system that are not based on a worker's paid contributions to the Uruguayan system, such as credits awarded to mothers based on child care or bonus credits given to teachers.

Article 7.5 describes the method of computing U.S. Benefit amounts when SSA establishes entitlement by totalizing (i.e., combining) U.S. and Uruguayan coverage. Persons whose U.S. coverage alone qualifies them for U.S. Benefits will not receive U.S. totalization Benefits.

Under Article 7.5, the amount of the worker's Benefit depends on both the level of his or her earnings and the duration of his or her U.S. Social Security coverage. SSA regulations (20 CFR 404.1918) describe this computation procedure in detail.

The first step in the procedure is to compute a theoretical Primary Insurance Amount (PIA) as though the worker had spent a full career under U.S. Social Security at the same level of earnings as during his or her actual periods of U.S. covered work. SSA then prorates the theoretical PIA to reflect the proportion of a coverage lifetime completed under the U.S. program. The regulations define a coverage lifetime as the number of years used in determining a worker's average earnings under the regular U.S. national computation method.



6. Entitlement to a Benefit under United States Laws that results from paragraph 1 of this Article shall terminate with the acquisition of sufficient Periods of Coverage under United States Laws to establish entitlement to an equal or higher Benefit without the need to invoke the provision of paragraph 1 of this Article.
7. Article 4 of this Agreement shall be applied by the United States in a manner consistent with section 233(c)(4) of the United States Social Security Act.

Article 7.6 provides that if a worker entitled to a U.S. totalization Benefit acquires additional U.S. coverage that enables the worker to qualify for an equal or higher Benefit based only on his or her U.S. coverage, SSA will pay the regular national law Benefit rather than the totalization Benefit.

Sections 233(c)(1) and (2) of the Act specify certain benefit and coverage provisions which either must be or may be included in U.S. international Social Security agreements. In addition, section 233(c)(4) permits agreements to contain other unspecified provisions which are not inconsistent with the provisions of title II of the Act. Article 7.7 is intended to make clear that where the only authority for the equality of treatment provisions in Article 4 of this Agreement is section 233(c)(4) of the Act, these provisions will be applied by the United States only to the extent that they do not conflict with other provisions of title II of the Act.

55

#### **Article 8**

#### **Uruguayan Benefits**

Uruguay pays social security Benefits to people who meet the applicable eligibility standards, including minimum length-of-work and other requirements. Under Article 8, Uruguay will add a person's U.S. coverage to his or her periods of Uruguayan coverage, if necessary, to meet eligibility rules. If the person meets the requirements based on combined U.S. and Uruguayan credits, Uruguay will pay a Benefit in accordance with its Laws (see Article 2.1(b)) on national old-age, disability, and survivors Benefits.

URUGUAYAN SOCIAL SECURITY BENEFITSGENERAL

The Uruguayan social security system is a three-pillar structure. The first pillar consists of a non-contributory, means-tested social assistance payment for low-income workers, financed through general government revenues. The first pillar is a flat rate, means-tested benefit that is adjusted downward as a person's retirement income increases. First pillar Benefits are not included under the scope of this Agreement. The second pillar is a traditional defined benefit system that provides Benefits on the basis of old-age, disability, and death via pay-as-you-go financing. The third pillar is a mandatory, fully funded system invested in individual pension funds (mandatory for all wage earners and self-employed persons in Uruguay who earn more than a statutorily defined threshold). Third pillar benefit amounts vary somewhat according to the performance of the fund in which the employee elects to invest. Article 8.3 of this Agreement permits a person to receive such a Benefit under the third pillar if he or she qualifies for such Benefit.

This Article applies to the second pillar system, which is a work-based program that covers all economically active people in Uruguay. Uruguay pays Benefits under the second pillar in amounts that it bases on the worker's average earnings, number of years of contributions, and age of retirement.

OLD-AGE BENEFITS

Retirement age in Uruguay is age 60. The Uruguayan system requires a minimum of 30 years of covered work in Uruguay for entitlement to an old-age Benefit. Certain activities modify this 30-year requirement, including child care (a mother receives 1 year of credit for each child or adopted child in her care, with a maximum of 5) and teaching (teachers are credited with 4 years for each 3 years of services performed). Additional rules apply for more favorable retirement conditions for pilots, miners, and people who work in strenuous conditions. A person may elect to defer receipt of his or her Benefit until age 70, at which point he or she will be eligible for a higher Benefit amount.

DISABILITY BENEFITS

Uruguay pays two types of disability Benefits – total disability Benefits and a temporary allowance for partial disability.

In order to receive a total disability Benefit, a person aged 26 or older must have performed at least 2 years of covered work, at least 6 months of which must have occurred in the period immediately preceding the disability onset. The worker must further be completely incapable of any type of work, and cannot be in receipt of a retirement Benefit. If the worker first became disabled under the age of 26, the 2-year minimum contribution period is waived, but the 6-month requirement remains, along with all the other requirements. Further, if a worker's disability onset was directly linked to his or her work activity, both coverage requirements are waived.

The requirements for receipt of the temporary allowance for partial disability are somewhat less stringent. Like the total disability Benefit, a person aged 26 or older must have performed at least 2 years of covered work, at least 6 months of which must have occurred in the period immediately preceding the disability onset, and also cannot be entitled to a retirement Benefit. However, the worker must only be incapable of performing the same work that he or she was performing at the time the disability occurred. The same coverage exemptions for workers under age 26 and workers whose disability is directly connected to his or her work activity apply to this allowance as apply to the total disability Benefit. This allowance is only payable for a maximum period of 3 years.

#### SURVIVORS' BENEFITS

58

Under the Uruguayan system, survivors' Benefits are available to widow(er)s, unmarried children under age 21, children of the worker who were disabled prior to age 21, divorced spouses entitled to alimony at the time of the worker's death, registered partners in a consensual union, and disabled parents of the worker who were dependent on the worker at the time of his or her death. In order for any survivors to be eligible for a Benefit, the deceased must have been working, receiving, or eligible to receive an old-age or disability Benefit or sickness, maternity, work injury, or unemployment benefits (or have died within the 12-month period after unemployment benefits terminated). While Benefits for most children terminate upon attainment of 21 years of age, children who were disabled prior to age 21 can continue to receive Benefits so long as they remain unmarried and disabled. Benefits terminate upon the marriage of any entitled surviving spouse or child.

Survivors' Benefit amounts are based on the amount of the Benefit the worker was receiving, or would have been entitled to, at the time of his or her death. Category I survivors include widows and children, who are entitled to receive 75% of this amount. Category II beneficiaries, including widowers, registered partners, and divorced spouses, are entitled to receive 66% of this amount. Disabled parents of the worker are entitled to receive 50% of this amount.

If there is only one Category I survivor entitled on the worker's record, his or her share is 75%. However, if there is more than one Category I survivor entitled to a Benefit, all survivors split 70% equally, except those with children in care, who get a 14% increase. If there is only one Category II survivor beneficiary, his or her share is 66%. However, if there is more than one Category II survivor entitled to a Benefit, all survivors split 60% equally. In all other cases, the Benefit is split equally among other eligible survivors.

59

#### COST-OF-LIVING ADJUSTMENTS

Uruguay provides cost of living adjustments on an annual basis. Benefits increase according to increases in the average wage index for the prior year. This adjustment generally occurs at the beginning of the year, when the prior year's average wage statistics are published.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 22 -

1. If Periods of Coverage have been completed under the Laws of the two Contracting States, the Uruguayan Competent Institution shall take into account –if necessary– the Periods of Coverage completed under the Laws of the other Contracting State in order to determine the entitlement to the Benefits according to the applicable Laws, provided that the Periods of Coverage do not overlap.
2. To establish the applicability of the provisions on the calculation of total Periods of Coverage and Benefit entitlement under the Uruguayan Laws, the periods completed in a third State bound by a Social Security Agreement with Uruguay which provides for the aggregation of Periods of Coverage shall be taken into account if necessary.

Article 8 contains rules for determining Uruguayan Benefit eligibility and amounts for people who have periods of social security coverage in both countries, but who do not have enough Uruguayan coverage to qualify for Uruguayan benefits.

Under Article 8.1, BPS will take U.S. Periods of Coverage into account under this Agreement if the worker has Periods of Coverage in both countries, but not enough Periods of Coverage to qualify for a Benefit by considering only Uruguayan Periods of Coverage. As in the parallel U.S. provision found in Article 7.1 of this Agreement, Uruguay will not count any U.S. Periods of Coverage which coincide with a Period of Coverage already credited under Uruguayan Laws.

Article 8.2 provides that, if a person does not have enough coverage in the United States and Uruguay to receive a Benefit under this Agreement, Uruguay will consider for purposes of entitlement to a Benefit periods of coverage completed in other countries with which it has social security agreements in force.

U.S. Laws only permit the United States to totalize Periods of Coverage on a bilateral basis. Accordingly, Article 2.2 of this Agreement exempts SSA from considering periods of coverage completed under the social security systems of third countries with which it has concluded an agreement for purposes of entitlement to a Benefit under this Agreement.

# PRINCIPAL AGREEMENT

# ANNOTATIONS AND COMMENTS

- 23 -

3. Benefits shall be provided under the intergenerational solidarity retirement system, and when applicable, the Benefits generated under the system of mandatory individual savings (capitalization) will be added.

This provision stipulates that any Benefit paid by Uruguay under this Agreement will be paid under the defined benefit (second pillar) scheme. If the person also made sufficient contributions into mandatory individual savings (third pillar), Uruguay will also pay a corresponding supplemental amount to the basic Benefit.

4. The Uruguayan Competent Institution shall establish the individual entitlement to a Benefit and shall calculate the Benefits taking into account the Periods of Coverage completed under the Uruguayan Laws, as well as those completed under the United States Laws.

Article 8.4 provides that in addition to determining a person's entitlement to Benefits using combined coverage under this Agreement, BPS will also calculate the amount of the Benefit by taking into consideration Periods of Coverage completed in the United States.

Benefits provided shall result from the most favorable calculation to the beneficiary by one or the other procedure, regardless of any Benefit determination made by the United States Competent Institution.

Uruguay will pay Benefits under this Agreement according to the manner provided for in its Laws that is most favorable to the beneficiary.

5. When totalizing the Periods of Coverage in order to add the Periods of Coverage completed under the Laws of the United States to those completed under the Uruguayan Laws, the Uruguayan Competent Institution shall apply the following calculation rules to establish the amount of Benefits:

Article 8.5 describes the method by which Uruguay will calculate Benefits payable under this Agreement. BPS will perform two separate Benefit calculations. Initially, it will compute a theoretical Benefit amount as if the worker's U.S. Periods of Coverage had been completed under Uruguayan Laws. BPS will then determine a pro rata Benefit amount by multiplying the theoretical amount described in Article 8.5 (a) by the ratio of the Periods of Coverage completed under Uruguayan Laws to the total Periods of Coverage completed in both countries.

- (a) The Competent Institution shall determine the amount of the Benefit that the person would be entitled to, as if all creditable Periods of Coverage had been completed under its Laws (theoretical benefit).

- (b) The Competent Institution shall establish the amount of the Benefit by applying to the theoretical Benefit estimated according to its Laws, the same proportion that exists between the creditable Period of Coverage completed under the Uruguayan Laws, and the total creditable Periods of Coverage completed under the Laws of the two Contracting States (pro rata Benefit).

6. Where the Uruguayan Laws require that, in order to be entitled to the Benefit, the Periods of Coverage should be completed in a certain time immediately prior to the event giving rise to the Benefit, this condition will be considered as fulfilled, if the person is contributing under the Laws of the United States and has credit for at least one (1) quarter of coverage under such Laws during the eight (8) calendar quarters immediately preceding the calendar quarter in which the insured event occurs according to the Laws of Uruguay.

In order to be entitled to certain categories of disability Benefits under Uruguayan Laws, a worker must have earned Periods of Coverage in a six-month period immediately prior to the onset of his or her disability. Under Article 8.6, work that was covered under U.S. Laws will count towards this requirement. If the worker has at least 1 U.S. quarter of coverage in the 8-quarter period immediately preceding disability onset, he or she will be deemed to meet this recency requirement of Uruguayan Laws.

62

**PART IV**  
**Miscellaneous Provisions**

**Article 9**  
**Administrative Arrangements**

The Competent Authorities of the two Contracting States shall:

Article 9 outlines various duties of the Competent Authorities under this Agreement. Paragraph (a) authorizes and requires the Competent Authorities to conclude an Administrative Arrangement and designate Liaison Institutions to facilitate the implementation of this Agreement. Paragraph (b) requires them to notify each other of steps they take unilaterally to implement this Agreement.



## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 25 -

- (a) make all necessary administrative arrangements for the implementation of this Agreement and designate Liaison Institutions;
- (b) communicate to each other information concerning the measures taken for the application of this Agreement; and
- (c) communicate to each other, as soon as possible, information concerning all changes in their respective Laws which may affect the application of this Agreement.

### **Article 10 Mutual Assistance**

The Competent Authorities and the Competent Institutions of the Contracting States, within the scope of their respective authorities, shall assist each other in implementing this Agreement. This assistance shall be free of charge, subject to exceptions to be agreed upon in an administrative arrangement.

Paragraph (c) obligates the Competent Authorities to notify each other of any changes in their social security Laws that may affect the application of this Agreement.

63

Article 10 authorizes the two countries to furnish each other non-reimbursable assistance in administering this Agreement. Such assistance may include taking Benefit applications and the gathering and exchange, including the electronic exchange, of information relevant to claims filed and Benefits paid under this Agreement. Although Article 10 establishes a general principle that mutual administrative assistance will be free of charge, the provision authorizes the two sides to agree to exceptions, such as the exception for medical examinations in Article 7.3 of the Administrative Arrangement.

**Article 11**  
**Confidentiality of Exchanged Personal Data**

1. Unless otherwise required by the national statutes of a Contracting State, Personal Data transmitted in accordance with this Agreement to one Contracting State by the other Contracting State shall be used exclusively for purposes of administering this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection of privacy and confidentiality of Personal Data and the provisions of this Agreement shall govern such use.
2. The Competent Authorities of the Contracting States shall inform each other about all amendments to their national statutes regarding the protection of privacy and confidentiality of Personal Data that affect the transmission of Personal Data.

Both the United States and Uruguay recognize the great importance of ensuring the integrity of Personal Data, as well as a person's rights pertaining thereto. Accordingly, both countries have statutes and regulations that govern disclosure and provide strict safeguards for maintaining the confidentiality of Personal Data in the possession of their respective governments.

In the United States, these statutes include the Freedom of Information Act, the Privacy Act, section 6103 of the Internal Revenue Code, and pertinent provisions of the Act and other related statutes. In Uruguay, the applicable laws include Law No. 18.331, along with Decree No. 414/009. Article 11.1 provides that both countries will protect Personal Data furnished under this Agreement in accordance with the applicable provisions of the privacy and confidentiality laws of the country that receives the Personal Data.

Article 11.2 provides that if either country modifies any of its statutes that regulate the privacy or confidentiality of Personal Data transmitted between the countries, the Competent Authority of the Contracting State that modified its statute must notify the Competent Authority of the other Contracting State.

3. The Competent Authority or Competent Institution requesting or transmitting Personal Data pursuant to this Agreement, upon request, must disclose to a person the following:

Article 11.3 protects a person's right to request particular information about any of his or her Personal Data requested from or transmitted to either country under this Agreement. Article 11.3 also provides that when a person requests such information about his or her Personal Data from a country, that country must provide the requested information to the person.

- (a) the content of his or her Personal Data,
- (b) the Competent Institution receiving his or her Personal Data,
- (c) the duration of use of his or her Personal Data, and
- (d) the purpose and legal grounds for which his or her Personal Data were used or requested.

4. The Competent Authority or Competent Institution transmitting Personal Data pursuant to this Agreement shall take all reasonable steps to ensure that transmitted Personal Data are accurate and limited to data required to fulfill the receiving Competent Authority's or Competent Institution's request. In accordance with their respective national statutes, the receiving Competent Authority or Competent Institution shall correct or delete any inaccurate transmitted Personal Data and any data not required to fulfill the receiving Competent Institution's request, and immediately notify the other Contracting State's Competent Authority or Competent Institution of such correction. This shall not limit a person's right to request such correction of his or her Personal Data directly from the Competent Institutions under their respective national statutes.
5. Both the transmitting and the receiving Competent Authority or Competent Institution shall effectively protect Personal Data against unauthorized or illegal access, alteration, or disclosure.

Article 11.4 provides that both countries will take reasonable steps to ensure the accuracy of Personal Data transmitted between the two countries and will limit the transmission of Personal Data to only that information necessary to satisfy the other country's request. However, if one country later discovers that it transmitted or received inaccurate or outdated Personal Data, or Personal Data not required to satisfy a country's request, the country that discovers the discrepancy will correct or delete the Personal Data in question and immediately notify the Competent Institution of the other country. The countries will perform such correction or deletion in accordance with their respective statutes governing alteration and destruction of data.

Article 11.4 also recognizes the right of a person to ask either Competent Institution directly to correct or delete any of his or her own Personal Data that he or she discovers to be inaccurate or not required to satisfy a Contracting State's request.

Both the United States and Uruguay agree to protect the integrity, privacy, and confidentiality of Personal Data under their respective laws when receiving or transmitting such data under this Agreement.

**Article 12**  
**Confidentiality of Exchanged Employers' Information**

Unless otherwise required by the national statutes of a Contracting State, employers' information transmitted between the Contracting States in accordance with this Agreement shall be used exclusively for purposes of administering this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection and confidentiality of employers' information and the provisions of this Agreement shall govern such use.

**Article 13**  
**Documents**

1. Where the Laws of a Contracting State provide that any document which is submitted to the Competent Authority or a Competent Institution of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to corresponding documents which are submitted to the Competent Authority or a Competent Institution of the other Contracting State in the application of this Agreement.

Article 12 provides protections for employers' confidential information. It provides to any business-related information exchanged under this Agreement similar protections to those provided for Personal Data under Article 11 of this Agreement and under each country's national statutes.

Article 13.1 states that if the Laws of one country exempt documents submitted in connection with a social security claim from fees or charges, that exemption will also apply if a country sends such documents to the other country by or on behalf of a claimant or beneficiary.

2. Documents and certificates presented for purposes of this Agreement shall be exempted from requirements for authentication by diplomatic or consular authorities, as well as translation, notarization, and registration.
3. Copies of documents certified as true and exact copies by a Competent Institution of one Contracting State shall be accepted as true and exact copies by a Competent Institution of the other Contracting State, without further certification. The Competent Institution of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Some countries require that a diplomatic, consular, or other official representative in the other country certify the authenticity of documents submitted to their social security authorities by or on behalf of persons in another country. Both the United States and Uruguay are parties to the Hague Convention Abolishing the Requirement for Legalisation for Foreign Public Documents. Article 13.2 reaffirms that neither country will require such authentication of documents submitted under this Agreement.

If the Competent Institution of one country certifies that a copy of a document it furnishes to the Competent Institution of the other country is a true and exact copy of an original document, the other country will accept this certification. Nevertheless, each country will remain the final judge of the probative value of any documents submitted to it under this Agreement.

60

**Article 14**  
**Correspondence and Languages**

1. The Competent Authorities and Competent Institutions of the Contracting States may correspond directly with each other and with any person, wherever the person may reside, whenever it is necessary for the administration of this Agreement.

Article 14.1 authorizes direct correspondence between the Competent Authorities and Competent Institutions of the two countries and between these bodies and any person with whom they may need to communicate.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 31 -

2. The Competent Authority or Competent Institution of a Contracting State shall not reject applications or documents solely because they are written in the language of the other Contracting State.

The Competent Authorities and Competent Institutions of each country may not reject an application or document because it is in the language of the other country. SSA already accepts applications and documents written in any language.

**Article 15**  
**Claims**

Article 15 provides for situations in which a claim filed for Benefits from one country will also be a claim for Benefits from the other country.

1. A written claim for Benefits filed with a Competent Institution of one Contracting State under its Laws or under this Agreement shall be considered as filed with the Competent Institution of the other Contracting State if the applicant so requests.

Under Article 15.1, a written claim submitted to the Competent Institution of one country that expresses intent to file for Benefits in the other country will protect the claimants' right to Benefits under the Laws of the other country as if the applicant presented it to the other country, provided the applicant expresses an intent to file for Benefits in the other country when filing the application.

2. If an applicant has filed a written claim for Benefits with a Competent Institution of one Contracting State and has not explicitly requested that the claim be restricted to Benefits under the Laws of that Contracting State, the claim shall also protect the rights of claimants under the Laws of the other Contracting State if the applicant provides information at the time of filing indicating that the person on whose record Benefits are claimed has completed Periods of Coverage under the Laws of the other Contracting State.

An applicant who files a claim with the Competent Institution of one country may not always know about his or her Benefit rights in the other country. Article 15.2 provides that even if it states no intention to file for Benefits in the other country, a claim will also protect the claimants' rights under the other country's laws if the applicant indicates at the time of filing that the worker had coverage in the other country.

The provisions of Part III of this Agreement shall apply only to Benefits for which a claim is filed on or after the date on which this Agreement enters into force.

Article 15.3 requires that a person claiming Benefits under this Agreement file a claim on or after the date this Agreement enters into force.

**Article 16**  
**Reconsideration, Appeals, and Time Limits**

1. A written request for a reconsideration or appeal of a determination made by a Competent Institution of one Contracting State may be validly filed with a Competent Institution of either Contracting State. The reconsideration or appeal shall be decided according to the procedure and Laws of the Contracting State whose decision is being reconsidered or appealed.
2. Any claim, notice or written request for a reconsideration or appeal which, under the Laws of one Contracting State, must have been filed within a prescribed period with a Competent Institution of that Contracting State, but which is instead filed within the same period with a Competent Institution of the other Contracting State, shall be considered to have been filed on time.

**Article 17**  
**Transmittal of Claims, Notices, Reconsiderations, and Appeals**

In any case to which the provisions of Article 15 or 16, or both, of this Agreement apply, the Competent Institution to which the claim, notice, or written request for a reconsideration or appeal has been submitted shall indicate the date of receipt on the document or any form developed for this purpose in accordance with Article 9 subparagraph (a), and transmit it without delay to the Liaison Institution of the other Contracting State.

Both the United States and Uruguay have formal procedures for appealing the determinations of their Competent Institutions. Under Article 16.1, a claimant may file a written appeal of a decision by the Competent Institution of one country with the Competent Institution of either country. The appropriate Competent Institution of the country whose decision a person is appealing will consider the appeal under its own Laws and procedures.

Article 16.2 provides that when the Laws of one country require the submission of a claim, notice, or written appeal within a set time limit, the Competent Institution of that country will consider it filed on time if the claimant files it with the Competent Institution of the other country within that prescribed time limit.

The Competent Institution with which an applicant files a claim, notice, reconsideration, or written appeal under Article 15 or 16 of this Agreement shall transmit it immediately to the Liaison Institution of the other country. The sending Competent Institution will indicate the date on which it received the document.



**Article 18  
Currency**

1. Payments under this Agreement may be made in the currency of the Contracting State making the payments.
2. In case provisions designed to restrict the exchange or export of currencies are introduced by either Contracting State, the Governments of both Contracting States shall immediately take measures necessary to ensure the transfer of sums owed by either Contracting State under this Agreement.

The Competent Institutions may pay Benefits under this Agreement in the currency of either country. The United States pays Benefits abroad in U.S. dollars or, where possible, in local currency. Uruguay pays Benefits abroad in U.S. dollars.

Should either country restrict the exchange of its currency, both Contracting States will take steps to ensure the payment of amounts due under this Agreement.

**Article 19  
Resolution of Disagreements**

1. Any disagreement regarding the interpretation or application of this Agreement shall be resolved by consultation between the Competent Authorities.
2. If a disagreement is not resolved within twelve (12) months from the initiation of the consultations in accordance with paragraph 1 of this Article, either Contracting State may request resolution through diplomatic channels, in which case the Contracting States shall seek to resolve the dispute through such channels.

Article 19.1 requires the Competent Authorities to attempt to resolve any dispute between them regarding this Agreement through consultation or negotiation.

Under Article 19.2, either country can request resolution through diplomatic channels if a dispute cannot be resolved in a 12-month period after consultations commence.

**Article 20**  
**Supplementary Agreements**

This Agreement may be amended in the future by supplementary agreements.

Article 20 provides that future supplementary agreements may amend this Agreement.

**PART V**  
**Transitional and Final Provisions**

**Article 21**  
**Transitional Provisions**

1. This Agreement shall not establish any claim to payment of a Benefit for any period before the date of the entry into force of this Agreement, or to a lump-sum death payment if the person died before the entry into force of this Agreement.
2. Except as otherwise provided in this Agreement, in determining the right to Benefits under this Agreement, consideration shall be given to Periods of Coverage completed under the Laws of both Contracting States and other events that occurred before the entry into force of this Agreement.

The Competent Institutions will pay Benefits based on this Agreement no earlier than the effective date of this Agreement. In addition, no person will be eligible to receive a lump-sum death payment if the worker died prior to the entry into force of this Agreement.

In determining Benefit eligibility and amounts under this Agreement, Article 21.2 provides that the Competent Institutions will consider Periods of Coverage earned before this Agreement enters into force. The Competent Institutions will also consider events relevant to the determination of Benefit rights, such as marriage, death, disability, or attainment of a certain age, which happened prior to this Agreement's effective date.

## PRINCIPAL AGREEMENT

## ANNOTATIONS AND COMMENTS

- 35 -

3. In applying paragraph 1, 2, 3, or 4 of Article 6 of this Agreement in the case of persons who were sent to work in or transferred to the territory of a Contracting State prior to the date of entry into force of this Agreement, the period of employment or self-employment referred to in that paragraph shall be considered to begin on the date of entry into force of this Agreement.
4. Determinations concerning entitlement to Benefits made before the entry into force of this Agreement shall not affect rights arising under it.
5. The application of this Agreement shall not result in any reduction in the amount of a Benefit to which entitlement was established prior to the entry into force of this Agreement.

However, the United States will not consider Uruguayan Periods of Coverage credited prior to 1937, the earliest date for which U.S. Laws permit crediting Periods of Coverage. (See Article 7.4). Additionally, the United States will not pay a lump-sum death payment under this Agreement if the person on whose record a claimant files for Benefits died prior to this Agreement's entry into force. (See Article 21.1).

Article 21.3 provides that the Competent Institutions will measure the 5-year period to which paragraphs 1, 2, 3, and 4 of Article 6 refer beginning no earlier than the date this Agreement enters into force. Thus, for persons to whom these provisions apply who were working in the other country before this Agreement's effective date, the prior period will not count for purposes of the 5-year limit.

A decision to award or deny a claim either Competent Institution renders prior to the effective date of this Agreement will not prevent a person from filing a new application for other Benefits that may be payable because of this Agreement.

Article 21.5 guarantees that the entry into force of this Agreement will not result in a reduction in Benefits already payable at the time this Agreement becomes effective.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

- 36 -

**Article 22**  
**Duration**

1. This Agreement shall remain in force until the expiration of one (1) calendar year following the year in which written notice of its denunciation is given by one of the Contracting States to the other Contracting State.
2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of Benefits acquired under it shall be retained. The Contracting States shall make arrangements dealing with rights in the process of being acquired.

Either country can terminate this Agreement by giving written notice of denunciation to the other. If either country takes actions to denounce this Agreement, it will remain in effect until the expiration of 1 calendar year after the year in which one of the countries receives written notice of denunciation from the other.

If either country denounces this Agreement, a person will retain Benefit rights acquired before its denunciation. Special arrangements would dictate the extent to which each country would recognize Benefit rights in the process of being acquired at the time of denunciation—for example, Periods of Coverage that had not yet resulted in fully insured status.

74

**Article 23**  
**Entry into Force**

1. Each Contracting State shall transmit to the other Contracting State a diplomatic note of the compliance with all legal and constitutional requirements for the entry into force of this Agreement.
2. This Agreement shall enter into force on the first day of the third month following the date of the last note of an exchange of diplomatic notes in which the Contracting States notify each other of the completion of their respective necessary internal procedures for entry into force of this Agreement.

Once each country completes its internal approval process, the two governments will exchange formal instruments of approval.

This Agreement will enter into force on the first day of the third calendar month after the month in which each government receives notification of approval from the other government pursuant to Article 23.1 of this Agreement.

PRINCIPAL AGREEMENT

- 37 -

ANNOTATIONS AND COMMENTS

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement.

The U.S. Ambassador to Uruguay, Kelly Keiderling, and the Uruguayan Minister of Labour and Social Affairs, Ernesto Murro, signed the Agreement on January 10, 2017 in Montevideo.

DONE at Montevideo on this 10<sup>th</sup> day of January, 2017, in duplicate, in the English and Spanish languages, both texts being equally authentic.

FOR THE UNITED STATES  
OF AMERICA:

Kelly Keiderling

FOR THE ORIENTAL REPUBLIC OF  
URUGUAY:

Ernesto Murro

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

**ADMINISTRATIVE ARRANGEMENT  
BETWEEN THE COMPETENT AUTHORITIES OF  
THE UNITED STATES OF AMERICA AND  
THE ORIENTAL REPUBLIC OF URUGUAY  
FOR THE IMPLEMENTATION OF  
THE AGREEMENT ON SOCIAL SECURITY BETWEEN  
THE UNITED STATES OF AMERICA AND  
THE ORIENTAL REPUBLIC OF URUGUAY**

The Competent Authority of the United States of America and

the Competent Authority of the Oriental Republic of Uruguay,

In conformity with Article 9(a) of the Agreement on Social Security between the United States of America and the Oriental Republic of Uruguay, signed on January 10, 2017, hereinafter referred to as the "Agreement," have agreed as follows:

**CHAPTER I  
General Provisions**

**Article 1**

Where terms that appear in the Agreement are used in this Administrative Arrangement, they shall have the same meaning as they have in the Agreement.

Article 1 provides that terms have the same meaning in this Administrative Arrangement as they do in the Agreement.

**Article 2**

1. The Liaison Institutions defined in Article 1.1(e) of the Agreement shall be:
  - (a) for the United States, the Social Security Administration (la Administración de la Seguridad Social); and
  - (b) for Uruguay, the Banco de Previsión Social (the Social Security Bank).
2. The Liaison Institutions referred to in paragraph 1 of this Article are to decide upon the joint procedures and methods necessary for the implementation of the Agreement and this Administrative Arrangement.

Article 2.1 designates the Liaison Institutions in each country responsible for implementing and administering the coverage and Benefit provisions of the Agreement. The United States designates the Social Security Administration (SSA) as its Liaison Institution, and Uruguay designates the Banco de Previsión Social (BPS) as its counterpart Liaison Institution.

Article 2.2 authorizes and requires the Liaison Institutions of both countries to agree upon those procedures and methods they will use for the implementation of the Agreement and this Administrative Arrangement.

77

**CHAPTER II**  
**Provisions on Applicable Laws**

**Article 3**

1. Where the Laws of one Contracting State are applicable in accordance with any of the provisions of Article 5 or 6 of the Agreement, the Liaison Institution of that Contracting State, upon request of the employer or self-employed person, shall issue a certificate stating that the employee or self-employed person is

Under Article 3.1, the Liaison Institution of the country whose social security coverage Laws will continue to apply to a person in accordance with the rules in Part II of the Agreement will issue a certificate to that effect when an employer or a self-employed person requests one. Employers and self-employed persons should request

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

- 3 -

subject to those Laws and indicating the duration for which the certificate shall be valid. This certificate shall be evidence that the employee or self-employed person is exempt from the Laws on compulsory coverage of the other Contracting State.

certificates before work begins in the other country, whenever possible. The certificate will serve as evidence of the exemption of the person from the coverage Laws of the other country when provided to the Liaison Institution of the other country.

2. The certificate referred to in paragraph 1 of this Article shall be issued:

SSA (United States) and BPS (Uruguay) will issue coverage certificates.

(a) in the United States, by the Social Security Administration (la Administración de la Seguridad Social); and

(b) in Uruguay, by the Banco de Previsión Social (the Social Security Bank).

3. The Liaison Institution of a Contracting State that issues a certificate referred to in paragraph 1 of this Article shall furnish a copy of the certificate or mutually decided information from the certificate to the Liaison Institution of the other Contracting State as needed.

Article 3.3 provides that the Liaison Institution issuing a coverage certificate will furnish a copy of the certificate or information from the certificate to the Liaison Institution in the other country when needed.

## CHAPTER III Provisions on Benefits

### Article 4

1. Claims for Benefits under the Agreement shall be submitted on forms to be developed by the Liaison Institutions of the two Contracting States.

The U.S. and Uruguayan Liaison Institutions will agree on special application forms that people who wish to file for Benefits based on the Agreement will use.



#### ADMINISTRATIVE ARRANGEMENT

#### ANNOTATIONS AND COMMENTS

- 4 -

2. The Competent Institution of the Contracting State, with which a claim for Benefits is first filed in accordance with Article 15 of the Agreement, shall provide the Liaison Institution of the other Contracting State with such evidence and other information in its possession as may be required to complete action on the claim.
3. The Competent Institution of a Contracting State which receives a claim that was first filed with a Competent Institution or Liaison Institution of the other Contracting State shall without delay provide the Liaison Institution of the other Contracting State with such evidence and other available information in its possession as may be required for it to complete action on the claim.
4. The Competent Institution of the Contracting State with which a claim for Benefits has been filed shall verify the information pertaining to the claimant and the claimant's family members. The Liaison Institutions of both Contracting States shall decide the types of information to be verified.

Articles 4.2 and 4.3 outline the procedures both countries will follow for the exchange of evidence and information they need to process claims filed under the Agreement.

Article 4.4 deals with the verification of claims information. Both U.S. and Uruguayan Laws require verification of certain information about people claiming Benefits (e.g., age and family relationship to the worker) before either country can approve the claim. Article 4.4 provides that when a person files a claim for Benefits under the Agreement in one country, the Competent Institution of that country will verify the relevant information and inform the Liaison Institution of the other country of its findings. The Liaison Institutions will agree upon the specific types of information requiring verification.

This provision expedites the claims process by avoiding duplicate verification of the same information. A Competent Institution may still request additional evidence to support the finding of the other Competent Institution.

**CHAPTER IV**  
**Miscellaneous Provisions**

**Article 5**

1. In accordance with measures to be decided pursuant to paragraph 2 of Article 2 of this Administrative Arrangement, the Liaison Institution of one Contracting State shall, upon request by the Liaison Institution of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement.
2. For the purpose of facilitation of the implementation of the Agreement and this Administrative Arrangement, the Liaison Institutions may decide on measures for the electronic exchange of data.

**Article 6**

The Liaison Institutions shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished annually in a manner to be decided by the Liaison Institutions.

Article 5.1 provides that the Liaison Institution of one country will, upon request, furnish claims-related information to the Liaison Institution of the other country in accordance with agreed upon procedures. Such procedures will be decided upon by the Liaison Institutions and will be consistent with the governing statutes of both countries.

Under Article 5.2, the Liaison Institutions of both countries may choose to implement electronic data exchanges to facilitate administration of the Agreement and this Administrative Arrangement. Such exchanges must comply with the laws of each country governing the protection of privacy and confidentiality of Personal Data.

Article 6 provides for an exchange of statistics concerning certificates issued pursuant to Article 3.1 of this Administrative Arrangement and payments made to beneficiaries under the Agreement.

**Article 7**

1. Where assistance is requested and provided under Article 10 of the Agreement, expenses other than regular personnel and operating costs shall be reimbursed to the Competent Institution providing the assistance, except as may be otherwise decided by the Competent Authorities or Liaison Institutions of the Contracting States.
2. Upon request, the Liaison Institution of either Contracting State shall furnish without cost to the Liaison Institution of the other Contracting State any medical information and documentation in its possession to assess the disability of the claimant or beneficiary.
3. Medical examinations of persons who reside in the territory of one of the Contracting States, which are required under the Laws of the other Contracting State, shall be arranged by the Liaison Institution of the first Contracting State, upon the request and at the expense of the requesting Liaison Institution. The costs of medical examinations shall not be refunded if they are performed for the use of the Competent Institutions of both Contracting States.

In accordance with Article 10 of the Agreement, the Competent Institutions of the two countries will provide each other with administrative assistance required to implement the Agreement. Under Article 7.1, the requesting Competent Institution will pay expenses the other Competent Institution incurs in responding to requests for administrative assistance that require it to go outside its own organization unless the two countries agree on a different arrangement. This includes hiring interpreters, conducting special field investigations, or arranging medical examinations. The Competent Institutions will not reimburse expenses for regular personnel and operating costs.

When the Liaison Institution in one country requests medical information from the Liaison Institution in the other country, the other Liaison Institution will provide the requesting Liaison Institution with any pertinent medical records it has in its possession free of charge.

Article 7.3 provides that where a medical examination is necessary to establish eligibility for or continuing entitlement to a country's Benefits that are payable under the Agreement, and the claimant or beneficiary is in the other country, the Liaison Institution of the other country, upon request, will arrange for the examination at the expense of the Liaison Institution requesting the examination.

ADMINISTRATIVE ARRANGEMENT

ANNOTATIONS AND COMMENTS

- 7 -

4. The Liaison Institution of one Contracting State shall reimburse amounts owed under paragraph 1 or 3 of this Article upon presentation of a statement of expenses by the Liaison Institution of the other Contracting State.

In order to receive reimbursement for the cost of administrative assistance, the Liaison Institution that provides the assistance must provide the requesting Liaison Institution with a statement of expenses.

**Article 8**

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and remain in force as long as the Agreement is in force.

This Administrative Arrangement will enter into force on the same date as the Agreement and will remain in effect for the same period as the Agreement.

DONE at Montevideo, this 10<sup>th</sup> day of January, 2017, in duplicate in the English and Spanish languages, both texts being equally authentic.

The U.S. Ambassador to Uruguay, Kelly Keiderling, and the Uruguayan Minister of Labour and Social Affairs, Ernesto Murro, signed the Administrative Arrangement on January 10, 2017 in Montevideo.

FOR THE COMPETENT  
AUTHORITY OF THE  
UNITED STATES OF AMERICA:

FOR THE COMPETENT  
AUTHORITY OF THE  
ORIENTAL REPUBLIC OF  
URUGUAY:

Kelly Keiderling

Ernesto Murro